

OKLAHOMA ACCOUNTANCY BOARD
MINUTES OF MEETING AND HEARINGS

April 25, 2006

The Oklahoma Accountancy Board (OAB) convened in regular session on Tuesday, April 25, 2006 in Suite 20, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. A tape recording of the meeting is on file in the OAB office. Members present at the meeting:

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

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Kelly Brown, Deputy Director; Donita Graves, Jim Shepherd, Barbara Walker and Sharon Wells; David Kinney, Assistant Attorney General; Guests: Daryl Hill representing the Oklahoma Society of Certified Public Accountants (OSCPA); Jim Nolen representing the Oklahoma Society of Accountants (OSA). Assistant Attorney General John Crittenden and Brian Ervin with GIT were also present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:38 a.m. Chairman Engelbach called the meeting to order.

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

Agenda Item #1c – Announcement of Legal Meeting Notice: Executive Director Steele confirmed the notice of the meeting was filed with the Secretary of State and the agenda for the meeting was posted in the reception area of the OAB's office and outside the building and meeting room in compliance with the Open Meeting Act.

Agenda Item #1d – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5: All members were present.

Agenda Item #2 – Announcement of Visitors: Executive Director Steele read the names of the visitors present.

Agenda Item #3 – Public Comment Period: Executive Director Steele advised the OAB she had not received any written requests or had been informed by any member of the public wishing to speak before the OAB.

Agenda Item #4 – Consent Agenda: The Consent Agenda contained 4 items for the OAB's consideration. (1) Approve the minutes of the March 24, 2006 Board Meeting;

(2) Ratify the verification of the administrative posting to the Board's records and certification of scores for Window 1/2006 Examination (January – February 2006); (3) Ratify verified experience of successful candidates for certification; (Appendix 1) and (4) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

Secretary Gray presented clarification to Agenda Item #12 on the March Board meeting minutes.

Johnson moved to approve the Consent Agenda with the modification to Item 12 in the minutes; Gray second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Agenda Item #5 – Discuss and Act on Staff's Recommendation to Waive Convenience Fees Beginning with 2006 Individual Renewal Period: Executive Director Steele noted the convenience fees were revoked in the proposed rules at the March Board meeting to be effective July 1, 2006 although individual registration begins on June 1, 2006. Member Johnson expressed that the Technology Committee concurred with the staff's recommendation and stated this waiver extends only to the individuals and not the firms for this year.

Nickles moved to adopt the recommendation of the staff regarding the waiver of portal fees; Johnson second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Agenda Item #6 – Discuss and Act on Request from Tarsha House to Extend her Credit Granted: Executive Director Steele addressed Ms. House's request to be allowed one more sitting for sections she did not hold credit in before her credits expire in May 2006.

Gray moved to approve extension to permit Ms. House until May 31, 2006 as requested; Johnson second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Agenda Item #7 – Discuss and Act on Credit Transition Report for Credit Earned under the Pencil and Paper Examination: This item was discussed jointly with Agenda Item #6 regarding whether an examination sitting counts for one section or more than one section.

Gray moved that the OAB extend the same privilege to the individuals listed whose credits are expiring on May 31, 2006 to be able to sit for the examination and to permit them the number of sittings through May 31, 2006 that is needed for them to complete the number of examinations needed through May 31, 2006; Nickles second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Gray moved that the OAB restore credit on Candidate No. 492 to give him the opportunity to take the one part by May 31, 2006 and if successful, he would become certified; Nickles second. Affirmative votes: Petete, Engelbach, Volturo, Gray, Nickles and St. John. Negative vote: Johnson. Motion passed.

Case No. 1641 – Hearing in the Matter of Guillory Bookkeeping Tax Service, Inc., Non-Registrant: This matter came on for hearing at 9:37 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden appeared as Counsel for the Board. Respondent was not present nor was Respondent represented by counsel. No witnesses were called by the State.

Assistant Attorney General Kinney presented an amended Consent Order signed by the Respondent and the Respondent's attorney under the following terms: (1) Respondent accepted he was in violation of Sections 15.1A(6) & (31), 15.15(A) and 15.15A (A) of the Oklahoma Accountancy Act by issuing an audit on company letterhead on February 21, 2005 and not being registered with the Board and having a valid firm permit to practice public accounting; Sections 15.1A (6) & (31), 15.14(A) and 15.14.A(A) of the Oklahoma Accountancy Act by issuing an audit on February 21, 2005 and not being registered with the Board and having a valid individual permit to practice public accounting; (2) Respondent shall in the future abide by the restrictions set forth in the Oklahoma Accountancy Act and Rules on non-registrants; (3) Respondent be fined \$2500; and (4) Respondent be assessed administrative costs.

Johnson moved to accept the Consent Order as presented by the Special Prosecutor in this case; Gray second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1641.

Case No. 1643 – Hearing in the Matter of Carlson & Cottrell Enterprises, Non-Registrant: By agreement of all parties, this hearing has been continued until the June 23 Board meeting due to the unavailability of a key witness.

Agenda Item #7 – Discuss and Act on Credit Transition Report for Credit Earned under the Pencil and Paper Examination [REVISITED]: Discussion of this item was continued with regard to those candidates whose credit expired in November 30, 2005. No action was taken.

Agenda Item #8 – Discuss and Act on Recommendations by the Enforcement Committee: Vice Chairman Volturo presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

Administrative Consent Orders:

Case No. 1633-1 – CPA Firm

A complaint was filed alleging substandard work. As authorized by the Enforcement Committee, an investigator was hired to review the work papers. The investigator concluded that there were violations in GAAS General Standards, Standards in Field Work and Standards of Reporting. An Administrative Consent Order is being offered in this case which provides for pre-issuance reviews on the firm's next five (5) compilations performed during the 365 days following the date of the ACO, all costs associated with the pre-issuance reviews be the sole expense of the firm and cost assessment of \$1,707.

Case No. 1633-2 – CPA Registrant

A complaint was filed alleging substandard work. As authorized by the Enforcement Committee, an investigator was hired to review the work papers. The investigator concluded that there were violations in GAAS General Standards, Standards in Field Work and Standards of Reporting. An Administrative Consent Order is being offered in this case which provides for the Respondent to complete 24 hours of CPE in work paper preparation and report writing within 180 days of approval of the Order. This CPE will not count toward the yearly CPE requirement and must be pre-approved by the CPE Coordinator.

Case No. 1633-3 – CPA Registrant

A complaint was filed alleging substandard work. As authorized by the Enforcement Committee, an investigator was hired to review the work papers. The investigator concluded that there were violations in GAAS General Standards, Standards in Field Work and Standards of Reporting. An Administrative Consent Order is being offered in this case which provides for the Respondent to complete 24 hours of CPE in work paper preparation and report writing within 180 days of approval of the Order. This CPE will not count toward the yearly CPE requirement and must be pre-approved by the CPE Coordinator.

Volturo moved to approve the Consent Orders in Case Nos. 1633-1, 1633-2, and 1633-3; Nickles second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Agenda Item #9 – Discuss and Act on Proposed Policy to Require Original or Certified Copy of Documentation for Name Changes: Executive Director Steele explained the current policy which is in need of updating to discourage to identity theft.

Johnson moved to adopt the proposed policy as stated in Item #9; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**POLICY TO REQUIRE
ORIGINAL OR CERTIFIED COPY OF
DOCUMENTATION FOR NAME CHANGES**

This policy requires original or certified copies of official legal name change documentation. If the registrant has only one certified copy or original, staff will make a copy for the OAB's documentation. Further research may be required if staff suspects that the original documents are not true or correct.

Agenda Item #10 -- Discuss and Act on Request from NASBA to Input on Proposed “Framework for Revision – Rules 5-1 and 5-2”: Executive Director addressed and added that the deadline of April 28 had been extended to May 12.

Johnson moved to appoint an Ad Hoc Committee to deal with this since the input is due before the Board's next meeting and that the OAB authorize the Committee to act and respond for the Board and the Committee be comprised of Secretary Gray as Chair and Members Johnson and Petete as members; Volturo second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Agenda Item #11 – Discuss and Act on Request from AICPA on Proposed New Diagnostic Report for Uniform CPA Examination Candidates: Executive Director Steele addressed the AICPA's development of a new diagnostic report and added there was a deadline of May 15 for comments. Chairman Engelbach recommended a committee be formed to address these issues and report to the OAB. Member Johnson expressed concern that there will not be enough time to do what was being asked. He suggested requesting input from candidates and staff.

Johnson moved that the Chairman send a letter notifying the AICPA that the deadline of May 15 is not sufficient time to have an appropriate response and request an extension; St. John second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Chairman Engelbach recommended having a committee in place, dependent on the AICPA's response, to start reviewing this and report to the OAB. Member Petete volunteered to serve on the committee. Member Johnson suggested the committee be composed of three candidates and one faculty member, preferable a department head of a college. Vice Chairman Volturo added that a member of the OAB Board staff serve on the committee. Secretary Gray recommended the OAB's Deputy Director, Kelly Brown serve on the committee as the staff member.

Member Johnson urged the OAB members to review the comparative statistical data regarding the CBT examination included in this meeting agenda's packet. He recommended that since NASBA compiles the national statistics and charges for that information, it should be contacted for permission to provide to educators the national statistics regarding the CBT examination. Chairman Engelbach added that NASBA should be given an example of what the OAB will furnish to the educators.

Agenda Item #12 – Discuss and Act on Report from the Technology Committee:

On behalf of the OAB's IT Committee, Member Johnson presented a report on the meeting he attended with representatives from NIC and Joe Fleckinger, IT Director for the State of Oklahoma. Mr. Johnson noted that the registration forms the OAB approved at its March meeting will be unable to go online until next year due to programming and timeline issues. He added that there are no alternative vendors since NIC is under contract with the State. He suggested to the Chairman that Member Petete be appointed to the OAB's Technology Committee because of her skills in systems implementation. Chairman Engelbach concurred and appointed Member Petete to the OAB's Technology Committee.

Agenda Item #13 – Discuss and Act on the Acceptability of the CPE Credit claimed by Louis Volberding:

On behalf of the OAB's CPE Committee, Member St. John explained issues regarding the subject matter and the documentation of the CPE Mr. Volberding reported.

Johnson moved that this matter be sent back to the CPE Committee and with the guidance provided by the discussion today, the CPE Committee make a ruling; Gray second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Agenda Item #14 – Director's Report: Executive Director addressed the following issues:

- Online firm renewal process was launched on April 18, 2006.
- NASBA Quick Poll questions and tentative responses.

In related discussion, the OAB members offered their comments and changes to the responses.

Agenda Item #15 – Chairman’s Report: Chairman Engelbach addressed the following issues:

- Assistant Attorney General Kinney’s memo in response to the recent Accountancy Regulation cases for review.
- The CPE Brochure will not be released until the OAB members have sufficient time to review and act on it at the next OAB meeting.

Agenda Item #15b -- Next Meeting Date Announced: The next OAB Meeting is scheduled for 8:30 a.m., May 19, 2006, in Conference Room 20 at the Lincoln Office Plaza in Oklahoma City.

Agenda Item #16 – New Business: No new business.

Agenda Item #17 – Adjournment: There being no further business to come before the OAB, at 11:35 a.m. Chairman Engelbach called for a motion to adjourn the meeting.

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

J.H. Engelbach, Chairman

ATTEST:

Janice L. Gray, Secretary

4771.

APPENDIX 1

CERTIFICATE CANCELLED BY REGISTRANT'S REQUEST:

CPA:

Linda G. Fairbairn, Certificate No. 10412, issued July 27, 1989

DISSOLVED FIRMS:

CPA Partnership:

Middleton & Dossey, Certified Public Accountants

CPA Corporation:

McGee, Chronister, and Clouse, CPA'S, P.C.

CPA Limited Liability Company:

Russell & Atkins, P.L.C.

Grades Certified: The OAB took official notice of the administrative posting of scores to the OAB's records for the Window 1/2006 Examination which were certified by the Executive Director.

The following 28 candidates successfully passed the Certified Public Accountant Examination:

Name

Jared Lee Anderson
Tracie Michelle Bates
Karla Marie Bennett
Coy Charles Berends
Marlene Ann Burgess-Jackson
Ansley S. Carruth
Melinda Kay Conner
Amanda Louise Copeland
Angela Rae Davenport
Mitzi Ann Doster
Virgil Earl Downing III

Name

Nathan Lee Geist
 Marcus A. Huck
 Joshua Robert Keech
 Melissa Ann Tarr Lange
 Melanie Rochelle Laster
 Cari Anne Madden
 Melva Jean Parish
 Roderick Alan Pickney
 Elizabeth Carol Rabe
 Jennifer Lynn Shears
 Rita Susanne Steinhart
 Crystal Brooke Stewart
 Gregory W. Treadwell
 Amber Renee Tyler
 Dana Beth Webb
 Kimberly Deeann Wilkinson
 Thomas Ashley Williams

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

Tracie Michelle Bates
 Melinda Kay Conner
 Jaclyn Dee Cornelison
 Joshua Robert Keech
 Melissa Ann Tarr Lange
 Melanie Rochelle Laster
 Robert Allen LeMaster
 Celia Joy Lightsey
 Donovan Alan Miller
 Michael Brent Roberson
 Amber Renee Tyler

Applications and Registrations Approved: The OAB took official notice of the following applications and registrations, which have been approved by the Executive Director:

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

16111	Leeann Carol Remy Sprinkle
16134	Matthew James Gibson
16148	Ann Hartmeyer Essman
16153	Petrina Faith Harris
16161	Jerry Dale Turner
16167	Brittney Joy Jones
16170	Mary Jolene Peterson
16171	Nathan Kyle Pope

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

Mark Anderson (Texas)
David Reuben Bowden (Missouri)
Rachael P. Cole (Missouri)
John Andrew Czarnecki (Illinois)
Thomas Guy Elder, Jr. (Texas)
Judith K. Goldberg (Texas)
Jim W. Johnson (Texas)
Andrew Mark Mintzer (California)
Ricki David Powers (Texas)
Mark Allen Russell (Texas)
Todd Jeffrey Timboe (Montana)
Ted Charles Vaughan (Texas)

APPLICATION FOR REINSTATEMENT OF A CPA CERTIFICATE:

6347 Darold R. Stagner

INITIAL REGISTRATION OF A CPA PARTNERSHIP:

Feige & Tramp CPAs

INITIAL REGISTRATION OF A CPA LIMITED LIABILITY PARTNERSHIP:

UHY Mann Frankfort Stein & Lipp CPAS, LLP (Texas)

INITIAL REGISTRATION OF A CPA PROFESSIONAL CORPORATION:

Wynona Brooks, C.P.A., A Professional Corporation

INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY
COMPANIES:

Middleton & Dossey, PLLC
S & C Professional Ltd. Co.