

OKLAHOMA ACCOUNTANCY BOARD**MINUTES OF MEETING**

March 18, 2005

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, March 18, 2005 in Suite 269, 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:

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

Also in attendance at the meeting: Staff: Edith Steele, Executive Director and Kelly Brown, Deputy Director; Jim Shepherd, Donita Graves and Barbara Walker; David Kinney, Assistant Attorney General; Guests: Daryl Hill, Patty Hurley and Tawni Phelan representing the Oklahoma Society of CPAs; Jim Nolen and Peggy Johnson representing the Oklahoma Society of Accountants.

Agenda Item #1a -- Call To Order: At 8:31 a.m. Chairman Johnson called the meeting to order.

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

Agenda Item #1c -- Announcement of Legal Meeting Notice: Executive Director Steele stated that 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 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: Chairman Johnson recognized the absence of member Tom Volturo and declared his absence excused. He acknowledged the absence of member Janice Gray and deferred action on her absence.

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 that 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 2 items for the OAB's consideration. (1) Approve the minutes of the January 21, 2005 and February 18, 2005 Board Meetings; and (2) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

Member Gray arrived at the meeting at 8:34 a.m.

Nickles moved to accept the Consent Agenda; Gray second.
Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Agenda Item #5 – Note and Discuss Summary of Comments Received Relating to the Proposed Rule Amendments Passed at the December 17, 2004 Board Meeting; Discuss and Act on the Final Draft of the Amendments to Title 10, Oklahoma Administrative Code: Based on comments presented at the February 25, 2005 hearing by Patty Hurley from the Oklahoma Society of Certified Public Accountants (OSCPA), two new subsections were proposed by the OAB's Rules Committee. One new subsection for 10:15-30-5 Reporting and documentation by certificate and license holders to read: (f) If a certificate or license holder's main area of employment is industry and the certificate or license holder holds a permit to practice, at least seventy-two (72) hours (60%) of the one hundred twenty (120) hour requirement within a three (3) year period of the qualifying CPE completed by the certificate or license holder shall be in subjects related to the practice of public accounting.

Member Gray asked whether CPAs employed in industry could get 100% of their CPE in industry provided that they do not hold a permit. Chairman Johnson responded in the affirmative.

One new subsection for 10:15-30-8 Exceptions to CPE reporting requirements to read: (c) A certificate or license holder exempt from the requirement of CPE by reason of retirement or inactive status must indicate "retired" or "inactive" if they use their "CPA" or "PA" designation.

Member Nickles inquired whether the term inactive is defined in the statute. Assistant Attorney General Kinney replied that there is a provision in the statute under CPE for those who are considered inactive under 10:15-30-8. Member Petete suggested that the term inactive be more specific especially with regard to business card usage. Assistant Attorney General Kinney recommended addressing this issue in another rule next year and added that it should be included in another section of the rules in addition to the provision under CPE. Chairman Johnson commented that this section could be amended to include examples such as business cards, letterhead, and any communication to the public.

Member Gray expressed concern about CPAs employed in industry being allowed to continue to display their certificate. Assistant Attorney General Kinney replied that was allowed under the law.

Member Gray expressed concern of CPAs employed in industry and not holding a permit being allowed to use the CPA designation on their industry business cards. She also cited examples of those industry CPAs who earn only industry CPE and those who earn no CPE. She urged clarification of these scenarios in the rules. Vice Chairman Engelbach explained that CPE compliance for CPAs employed in industry is contingent upon what position they hold in industry. He cited the example of a CFO with a company being required to earn CPE because his/her job duties falls within the accounting function, but the president of a company would not; but the president of the company would have to indicate inactive on his/her business cards after the CPA designation. Assistant Attorney General Kinney concurred. Member Petete urged that this provision of the rules be communicated to the employers of industry CPAs.

Member Gray commented that CPAs employed in industry regardless of position are consulted on a regular basis because they are CPAs. Chairman Johnson noted that if having a CPA certificate was a requirement for employment, that CPA must be required to earn CPE.

Member Nickles cited the example of retired CPAs becoming members of boards due to their vast knowledge but they no longer practice. He believed that a CPA in this role should not be required to earn CPE. Chairman Johnson stated that if being a CPA was part of the criteria for his/her appointment to that board, then that CPA must meet the CPE requirement.

Nickles moved to accept as written the recommendations of the Rules Committee as presented to the OAB; the addition of new subsection (f) to 10:15-30-5 and the addition of new subsection (c) to 10:15-30-8; Engelbach second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Nickles moved to add the word "only" to the verbiage in 10:15-3-1 to read: "Except for qualified individuals practicing under substantial equivalency, public accounting may be practiced in this state only by a registrant which holds a valid permit to practice issued by the Board"; Engelbach second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Petete moved to adopt the December 17, 2004 rules as amended on March 18, 2005 as referenced in the final draft in Agenda Item 5; Engelbach second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Agenda Item #6 – Note and Discuss Summary of Comments Received Relating to the Proposed Rule Amendments Passed at the January 21, 2005 Board Meeting; Discuss and Act on the Final Draft of the Amendments to Title 10, Oklahoma

Administrative Code: Chairman Johnson noted that there were no amendments to the emergency rules as proposed. He referenced the comments which had been communicated to the OAB. He reported on the rules hearing conducted on March 17, 2005 and that no one appeared at the hearing to make a comment.

Gray moved that the emergency rules become permanent as discussed in Item 6; Nickles second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Agenda Item #7a – Act on Recommendation to Lift the Suspension of Certificate No. 12800, Catherine A. Janzing, which was Suspended October 17, 1997 for Failure to Renew the Permit to Practice Public Accounting or File a Notice of Change of Status that she was no longer Practicing Public Accounting:

Engelbach moved to lift the suspension of Certificate No. 12800, Catherine A. Janzing; Gray second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Agenda Item #7b – Case No. 1589-59 – Act on the Recommendation of Hearing Officer Price with respect to E. Dwain Pollard CPA, Inc., a CPA Firm which did not Renew the Firm Registration or Permit to Practice Public Accounting in Oklahoma: Assistant Attorney General Kinney reported on the March 11, 2005 hearing conducted by the OAB's Administrative Law Judge.

Engelbach moved to accept the Administrative Law Judge's recommendation and revoke the firm registration of E. Dwain Pollard CPA, Inc., Case No. 1589-59; St. John second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Agenda Item #8a – Discuss and Act on whether Oklahoma will Submit Letters of Recommendations for the NASBA Nominating Committee, Southwest Regional Director and Director-At-Large: Chairman Johnson deferred this item.

Agenda Item #8b – Request OAB Member's Responses to NASBA's Quarterly Focus Questions: Chairman Johnson deferred this item but encouraged members to submit their responses to the Executive Director.

Agenda Item #9 – Review and Ratify Verified Experience of Successful Candidates for Certification: As Chairman of the Experience Verification Committee, Secretary St. John verified that the Committee had approved the experience submitted by the three applicants.

St. John moved to approve the list contained in Item 9 as submitted; Nickles second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Name:

BENTLEY, RACHELLE LYNN
KAVANEY, JULIE LYNN
NESATHAS, SABRINA

Agenda Item #10 – Discuss and Act on Granting the Executive Director Authority to Employ Personnel other than Legal Counsel, Peer Review Coordinator and Deputy Director:

Gray moved to grant the Executive Director the authority to hire all employee personnel other than legal counsel, Peer Review Coordinator and Deputy Director; Engelbach second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Supplemental Agenda Item – Discuss and Act on Delegating to the Personnel Committee Authority to Employ the Peer Review Coordinator:

Chairman Johnson explained that Secretary St. John had stepped down from the Personnel Committee since Member Gray is chair of the Peer Review Committee, she was appointed to the committee for this position only.

Nickles moved to give the Personnel Committee the authority to hire the Peer Review Coordinator; St. John second. Affirmative votes: Petete, Johnson, Engelbach, St. John, Nickles, and Gray. Excused: Volturo.

Agenda Item #11 – Director’s Report: Executive Director Steele addressed the following issues:

- Requested the formation of a d/b/a committee to assist the staff in resolving issues related to the new rule which became effective July 1, 2004.

Members Nickles and Gray volunteered for the committee. Chairman Johnson acknowledged volunteers and will appoint a committee.

- Chairman Johnson has been reappointed to the OAB by the Governor subject to Senate confirmation.

Agenda Item #12a – Chairman’s Report: Chairman Johnson addressed the following issues:

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- Report on the NASBA task force implementing Substantial Equivalency in all states. OAB's website lauded for being user friendly with regard to availability of Substantial Equivalency information.
- Possible formation of a Peer Review Committee to review Peer Review reports submitted by other state agencies with Member Gray serving as Chair and the Chairman of the Enforcement Committee serving as a member.

Agenda Item #12b -- Next Meeting Date Announced: The next OAB Meeting is scheduled for 8:30 a.m., April 22, 2005 in Conference Room 269 at the Lincoln Office Plaza in Oklahoma City.

Agenda Item #13 – New Business: No new business.

Agenda Item #14 – Adjournment: There being no further business to come before the OAB, at 10:09 a.m. Chairman Johnson adjourned the meeting.

Carlos E. Johnson, Chairman

ATTEST:

E. B. St. John, Secretary

APPENDIX 1

Deceased Registrants:

CPAs:

James Edwin Cox, Certificate No. 905, issued July 24, 1953
Phillip Russell Hines, Certificate No. 7451, issued January 26, 1984
Joe D. Mercer, Certificate No. 4314, issued January 23, 1978
Joe Charles Vaughan, Certificate No. 1345, issued July 28, 1959

Dissolved Firms:

CPA Partnership:

Hewitt & Treadwell, Certified Public Accountants

CPA Corporation:

Wilson Resources, Inc.

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):

15973	Dee Ann Johnson
15975	Robert John Koch
15986	Amy Kathleen Strunk
15994	Corrie Elizabeth Wilson
16005	Deanna Ellen Holman
16006	Steven Ray Bonds
16007	David Alan Craig
16008	Howard Martin Evans
16012	Mariah Catherine Isley
16013	Jeremy C. Jennings
16017	Regina Louise McKinley
16018	Francine W. Montgomery
16019	Amy Jo Smoot
16020	Emily Jean Snyder
16021	Ty Robert Thomas Steward
16022	Eric Lee Taylor
16024	Michelle Kaye Williams

APPLICATIONS FOR RECIPROCAL CERTIFICATES:

16029-R	Stephen Scott Allman
16030-R	Ammon Martin Nunley III

APPLICATIONS FOR SUBSTANTIAL EQUIVALENCY (Based on State SE Recognition):

William Scott Berry (Texas)
 Daryl Sloan Box (Texas)
 Brandon B. Cradeur (Texas)
 Stephen J. Diagostino (Indiana)
 Douglas Clayton Fahrnow (Indiana)
 Mark Allen Gandy (Missouri)
 Alan W. Goad (Texas)
 Michael Allen Herzog (Texas)
 Robert L. Larsen (Iowa)
 Stephanie Jane Manko (Texas)
 Corby Lynn Round (Iowa)
 Keiren Forrest Smith (Iowa)
 Eric John Thuente (Iowa)

4645.

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

1688	Floyd Clift Richards
9218	Tracy Lockwood
9349-R	Dennis Keith Laffin
14970	David N. Harris

INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:

Berberich Trahan & Co., P.A. Professional Association (Kansas)
Kathryn Ann Hewitt, CPA, Inc., P.C.
Vicky Fowler, C.P.A., P.C.

INITIAL REGISTRATION OF A CPA PROFESSIONAL LIMITED LIABILITY COMPANY:

McNatt & Associates, PLC