

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 16, 2017 VIA TELEPHONE
LONDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Denise O. Denning, CPA, Chair, called the meeting to order. Board members in attendance by telephone were Ms. Denning; John R. Helms, CPA; T. C. Anderson, Public Member; Corlene Lange, CPA; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Meredith Richey, Public member. Also in attendance by telephone was Susan Somers, Executive Director; Darin Conklin, General Counsel to the Board; Rita Barnard, on behalf of the Kansas Society of CPAs; and Joyce Schartz on behalf of the Public Accountants Association.

The Board welcomed Corlene Lange, the newest member of the Board.

B. CONSENT CALENDAR:

1-3. The Board reviewed the minutes of the April 28, 2017 meeting; reciprocity certificates/permits to practice; firm registrations; and the May 31, 2017 financials. Mr. Helms moved and Ms. Mitchell seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board was reminded that exam scores for the April/May 2017 testing window would not be available for ten weeks after the close of the May window due to the new format of the CPA exam.

B. The Board reviewed the candidate concerns report for the first quarter of 2017. There was no action required to be taken.

C. The Board reviewed a request from Robert Van Cleave, pursuant to K.A.R 74-2-7(g) for a waiver of an Accounting Information Systems beyond an introductory course in order to sit for the CPA exam. After review and discussion, Mr. Anderson moved and Ms. Richey seconded to approve the request based upon his work experience. Upon a vote, the motion carried.

3. CPE/PERMIT TO PRACTICE/PEER REVIEW/FIRM REGISTRATIONS:

A. Ms. Somers presented to the Board the list of firms with peer reviews either due or in process. No action was required to be taken.

B. The Board reviewed a request for an extension of Peer Review from Oread Risk & Advisory, LLC. Based upon the information provided, Mr. Anderson moved and Ms. Mitchell seconded to approve the extension to September 30, 2017, with no further extensions. Upon a vote, the motion carried.

C. The Board reviewed NASBA's draft of a response to the discussion paper on the evolution of Peer Review which also was discussed at the recent NASBA Regional Meeting. Ms. Denning and Mr. Helms reported that there was considerable concern amongst the states regarding costs, oversight, the requirement to have a full-time CPA on staff at the Administering Entity to oversee the Peer Review process, and the need to change the entire process for all, when only a few administering entities were experiencing problems. Ms. Somers indicated that she would prepare a response letter to the discussion paper to be reviewed by Mr. Helms and Ms. Denning.

4. SUMMARY ORDERS ISSUED (INFORMATIONAL ONLY):

The Board reviewed the following Summary Orders issued, which required no further action by the Board:

CHEARIE DONALDSON, SUMMARY ORDER REVOKING KANSAS CERTIFICATE

HOWARD & COMPANY, LLC: SUMMARY ORDER OF SUSPENSION OF FIRM REGISTRATION AND FINE FOR FAILURE TO COMPLY WITH PEER REVIEW

DONNA L. MCGRUFF, CPA, INC., PC: SUMMARY ORDER OF SUSPENSION OF FIRM REGISTRATION AND FINE FOR FAILURE TO COMPLY WITH PEER REVIEW

5. OTHER:

A. Ms. Denning reported on the recent NASBA Regional Meeting. Topics covered at the meeting were: Accreditation Task Force (questioning the validity and reliance upon regional accreditation); Data Analytics (process of examining data in order to draw conclusions about the information they contain using specialized systems and software); Questioning Regulation (groups formed to challenge and downsize the number of occupations regulated in each state); Exam Launch (emphasizing higher learning skills); NOCLAR (International Ethics Standards regarding non-compliance with laws and regulations); and CPE (nano and blended learning).

B. The Board reviewed and discussed the UAA exposure draft on proposed title language regarding the use of the word "management" in connection with an accounting designation conferred by the AICPA or the Chartered Institute of Management Accountants, in particular "CGMA". Ms. Somers was instructed to draft a letter to the AICPA outlining the Board's concerns, with the letter to be reviewed by Mr. Helms and Ms. Denning and thereafter the Board, at the July 2017 meeting.

Ms. Denning informed the Board that representatives of NASBA would be at the July meeting: Patricia Hartman, to discuss the CPA exam; Alfonzo Alexander to

discuss an ethics exam to be used for disciplinary purposes; and Dan Dustin, to discuss matters that other state boards are facing, as well as national and international issues facing the profession.

C. APPROVAL OF EXTENSION OF GENERAL AND DISCIPLINARY COUNSEL CONTRACTS:

Ms. Somers reported that the contracts for general counsel and disciplinary counsel were up for renewal, and that they had indicated that they wanted to renew with no increase in fees. After discussion, Mr. Anderson moved and Mr. Helms seconded to authorize Ms. Somers to sign the contracts. Upon a vote, the motion carried.

D. EXECUTIVE SESSION—PERSONNEL MATTERS:

Mr. Helms moved, and Ms. Mitchell seconded to have the Board recess into executive session pursuant to K.S.A. 75-4319(b)(1) to discuss personnel matters of non-elected personnel, specifically, the personnel evaluations of Board staff, until 10:56 AM at which time the Board shall reconvene in open session. Upon a vote, the motion carried.

When the Board reconvened in open session, Mr. Helms moved and Ms. Mitchell seconded to recess again to executive session to further discuss personnel matters of non-elected personnel, specifically the personnel evaluations of Board staff, until 11:14 AM, at which time the Board shall reconvene in open session. Upon a vote, the motion carried.

When the Board reconvened in open session, Mr. Helms moved and Mr. Marsh seconded to request the Governor's office to authorize a 3% increase in the salary of the Executive Director, along with a \$1,500 bonus, for exceptional performance. Upon a vote, the motion carried.

6. ADJOURN

When the Board reconvened, Mr. Marsh moved and Ms. Mitchell seconded, to adjourn the meeting. Upon a vote, the motion carried.

/s/ Susan L. Somers
Susan L. Somers Executive Director