

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
AUGUST 24, 2018
LONDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Kathryn J. Mitchell, Chair, called the meeting to order. Board members in attendance were Ms. Mitchell; Corlene R. Lange, CPA, Vice-Chair; John R. Helms, CPA, Michael L. Marsh, CPA; Meredith Richey, Public Member; and Sean P. Weaver, CPA. Also in attendance were Susan Somers, Executive Director; Brenda Head, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Natasha Schamberger, Chad Allen and Rita Barnard, on behalf of the Kansas Society of CPAs; and Joyce Schartz on behalf of the Public Accountants Association.

B. CONSENT CALENDAR:

1-3. The Board reviewed the minutes of the July 27, 2018 meeting; reciprocity certificates/permits to practice; firm registrations; and the July 31, 2018 financials. Ms. Lange moved, and Mr. Helms seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board received a request from Stephanie Farber for a waiver, pursuant to K.A.R. 74-2-7(g), of 3 semester hours of accounting to sit for the CPA exam. After discussion, Mr. Helms moved, and Ms. Richey seconded, to grant the request based upon her 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 list of CPAs who had indicated that they weren't renewing, or that couldn't be located. No action was required to be taken.

C. The Board reviewed a list of CPAs that had not renewed by August 1, 2018. No action was required to be taken.

D. The Board reviewed a list of CPAs that had not renewed by August 24, 2018. Ms. Somers indicated that she would be sending letters of inquiry to those where there was evidence that they were continuing to practice without a permit, including those who had firms on file with the Board.

E. The Board reviewed a request from Hannah Stout for waiver of a Business Law Course and 2 hours of written or oral communications, pursuant to K.S.A. 74-2-7(g) to permit a transfer of her exam scores to Kansas. Ms. Stout had passed the exam as a Missouri candidate, and would be applying for a certificate by transfer of grades. After discussion, Mr. Helms moved, and Mr. Marsh seconded, to grant the request based on work experience. Upon a vote, the motion carried.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS:

A. GARY DALE BASOM, CPA AND GARY BASOM CPA, LLC STIPULATION AND CONSENT ORDER: Mr. Helms, the investigator in this matter, recused himself. Mr. Basom appeared in person and on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order relating to Respondents' failure to comply with applicable professional standards. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; barred Respondents from performing or offering to perform ERISA audits for Kansas clients until further order of the Board; and ordered Respondent Firm to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter.

Mr. Marsh moved, and Ms. Richey seconded, for the Board to go into closed session, pursuant to K.S.A. 1-501(h). Upon a vote, the motion carried.

When the Board reconvened in open session, Mr. Marsh moved, and Ms. Richey seconded, to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

Ms. Richey then moved, and Mr. Marsh seconded, that the portions of the agency record where there is discussion or admission into evidence of peer review report documents, shall be closed pursuant to K.S.A. 1-501(h). Upon a vote, the motion carried, with Mr. Helms not participating.

B. SURESH KUMAR SUBRAMANIAN, CPA & KUMAR CONSULTING, PROFESSIONAL ASSOCIATION STIPULATION AND CONSENT ORDER: Mr. Helms, the investigator in this matter, recused himself. Mr. Subramanian appeared in person and on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order relating to Respondents' failure to comply with applicable professional standards. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; barred Respondents from performing or offering to perform audits, reviews, agreed upon procedures or other attest engagements, excluding compilations, until further order of the Board; required Respondents to remove all offers to perform audits, reviews, agreed upon procedures or other attest engagements excluding compilations, from all media, including without limitation, LinkedIn, and websites; and ordered Respondent firm to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter.

Ms. Lange moved, and Mr. Marsh seconded, for the Board to go into closed session, pursuant to K.S.A. 1-501(h). Upon a vote, the motion carried.

When the Board reconvened into open session, Ms. Lange moved, and Ms. Richey seconded, to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

Ms. Richey then moved, and Mr. Marsh seconded, that the portions of the agency record where there is discussion or admission into evidence of peer review report documents, shall be closed pursuant to K.S.A. 1-501(h). Upon a vote, the motion carried, with Mr. Helms not participating.

C. LINT, SINGLETON & STACHOWSKI, CPAS, PC STIPULATION AND CONSENT ORDER: Mr. Helms, the investigator in this matter recused himself. Ms. Singleton appeared on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order relating to Respondent's failure to comply with applicable professional standards. The terms of the Stipulation and Consent Order required Respondent to appear before the Board; barred Respondent from performing or offering to perform audits for Kansas clients until further order of the Board; required Respondent to undergo a pre-issuance review by a reviewer pre-approved by the Board member, of all attest and annual compilation services (other than audits) for Kansas clients with submission of pre-issuance review findings to include peer review engagement checklists to the Board within ten days of their receipt from the pre-issuance reviewer; and ordered Respondent to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter.

Ms. Richey moved, and Ms. Marsh seconded, for the Board to go into closed session, pursuant to K.S.A. 1-501(h). Upon a vote, the motion carried.

When the Board reconvened into open session, Mr. Marsh moved, and Ms. Lange seconded, to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

Ms. Richey then moved, and Mr. Marsh seconded, that the portions of the agency record where there is discussion or admission into evidence of peer review report documents, shall be closed pursuant to K.S.A. 1-5-1(h). Upon a vote, the motion carried, with Mr. Helms not participating.

D. BRYAN WAYNE NYP, CPA AND NYP CPA, LLC STIPULATION AND CONSENT ORDER: Ms. Mitchell, the investigator in this matter, and Mr Helms, recused themselves. Mr. Nyp appeared in person and on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration and Mr. Nyp had engaged in conduct reflecting adversely on his fitness to practice certified public accountancy. The terms of the Stipulation and Consent Order required the Respondents to appear before the Board; Respondent to pay a fine in the amount of \$250.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure of the Respondents.

Ms. Richey moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Mitchell and Mr. Helms not participating.

E. BRADLEY B. THIES, CPA AND BARR ASSURANCE AND ADVISORY, INC. STIPULATION AND CONSENT ORDER: Mr. Helms, the investigator in this matter, recused himself. Respondents appeared in person and through counsel Joel Krieger. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that Respondent had violated K.A.R. 74-5-406 relative to the use of a firm name. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; Respondent Theis to pay a fine in the amount of \$500.00; Respondents to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; and censure of the Respondents. The Board also approved Respondent Firm's application for registration under the name BARR Advisory, P.A. Ms. Lange moved, and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

5. OTHER:

A. DISCUSSION OF FEEDBACK FROM COLLEGES RELATIVE TO CHANGE IN AUDIT FUNCTION: Ms. Somers reported that she had received feedback from the six Regents colleges and Washburn University relative to their accounting programs, inclusion of I.T. courses to support the future of the audit function, and their general overall opinions of change to the exam and the curriculum relative to the change in audit function. She indicated that she would provide that feedback to the National Task Force when it convened to discuss the matters.

B. EXECUTIVE SESSION: Mr. Helms moved, and Mr. Marsh seconded that the agenda be amended for the Board to go into executive session to confer with legal counsel. Upon a vote, the motion carried. Mr. Helms then moved, and Mr. Marsh seconded to proceed into executive session for a period of 20 minutes for attorney-client communications regarding advice on interpretation of statutes. Upon a vote, the motion carried.

6. ADJOURN

When the Board reconvened in open session, there being no further business to come before the Board, Ms. Lange moved, and Mr. Weaver seconded, to adjourn. Upon a vote, the motion carried.

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