

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
DECEMBER 7, 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; Randall J. Forbes, Disciplinary Counsel to the Board; Darin M. Conklin, General Counsel to the Board; Natasha Schamberger, CPA, Jay Langley, CPA and Rita Barnard, on behalf of the Kansas Society of CPAs; and Scott Henderson and Joyce Schartz on behalf of the Public Accountants Association.

Ms. Mitchell and Mr. Helms presented Ms. Somers with the Lorraine P. Sachs Award of Excellence presented at the NASBA Annual Meeting, which Ms. Somers was unable to attend.

B. CONSENT CALENDAR:

1-3. The Board reviewed the minutes of the October 26, 2018 meeting; reciprocity certificates/permits to practice/firm registrations; and the November 30, 2018 financials. Ms. Lange moved, and Ms. Richey seconded to approve the Consent Calendar. Upon a vote, the motion carried.

C. The Board reviewed the Division of Budget recommendations for FY 2019-2021. No action was required to be taken.

2. CPA EXAM:

A. The Board reviewed the CPA Exam Performance Summary for Q1, Q2, and Q3 2018. No action was required to be taken.

B. The Board reviewed the Q3 2018 Candidate Care Report. No action was required to be taken.

C. The Board reviewed, pursuant to K.A.R. 74-2-7(g), two requests for waiver of a course requirement to sit for the CPA exam, as follows:

1. Jack Burton: Request for waiver of two semester hours of accounting. After review and discussion, Mr. Helms moved, and Mr. Marsh seconded to approve Mr. Burton's request, based upon his work experience. Upon a vote, the motion carried.

2. Olessya Solovev: Request for waiver of an upper division economics course. After review and discussion, Ms. Lange moved, and Mr. Weaver seconded to deny Ms. Solovev's request, based upon her lack of 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. Mr. Weaver moved, and Ms. Lange seconded that in the case of firms not timely complying with Peer Review, a "warning" letter will be sent notifying them that if they do not provide the Peer Review letter of completion or "in process" letter within thirty days from the date of the letter, a Summary Order of Revocation and imposition of a fine will be issued. If the firm complies within the thirty days, no disciplinary action will be taken. If the firm does not comply within the thirty days, the Summary Order of Revocation and Fine will be issued. For those firms who have received a second "warning" letter, should the firm fail to comply a third time, a Summary Order will be issued without a warning letter. Upon a vote, the motion carried. The Board also set the next 2019 due dates for Peer Review letters of completion or additional "in process" letters to be June 30, 2019 and December 31, 2019, unless otherwise warranted. Upon a vote, the motion carried.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS:

A. DEREK BRUNA, CPA, WASHINGTON COUNTY TAX AND ACCOUNTING & BRUNA AUDITING SERVICES, LLC STIPULATION AND CONSENT ORDER: Mike Marsh, CPA, the investigator in this matter, recused himself. Mr. Bruna appeared in person and on behalf of the Respondent firms. This matter was before the Board for consideration of a Stipulation and Consent Order relating to Respondent's practice of certified public accountancy without a valid permit and the Respondent firms failure to comply with K.S.A. 1-308. The Stipulation and Consent Order censured Respondents; directed them to appear before the Board; and ordered Respondent Bruna 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. Respondent Bruna's application to renew his permit to practice as a CPA in Kansas was granted without condition.

Mr. Helms moved, and Mr. Weaver seconded, to accept the Stipulation and Consent Order as presented. Upon a vote, the motion carried, with Mr. Marsh not participating.

B. JANEEN M. SMITH, CPA STIPULATION AND CONSENT ORDER: Corlene Lange, CPA, the investigator in this matter, recused herself. This matter was before the Board for consideration of a Stipulation and Consent Order relating to Respondent's failure to timely file tax returns for an entity for which she was responsible and failure to timely file and pay taxes collected on behalf of others which resulted in discipline pursuant to K.S.A. 1-311(a)(6); K.S.A. 1-311(a)(8); and K.S.A. 1-311(a)(14). The Stipulation and Consent Order censured Respondent, directed her to appear before the Board; ordered

her to pay a fine in the amount of \$500.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; provide proof of timely filing of tax returns for entities for which she is responsible for tax years 2017-2022 and to provide proof of timely payment of taxes collected on behalf of others for tax years 2017-2022. After hearing testimony, Mr. Marsh moved, and Ms. Richey seconded to accept the Stipulation and Consent Order as presented. Upon a vote, the motion carried, with Ms. Lange not participating.

C. WELCH & ASSOCIATES, LLC STIPULATION AND CONSENT ORDER: Mr. Weaver, the investigator in this matter, recused himself. Respondent appeared before the Board through its sole member and resident manager Brian Welch. This matter was before the Board for consideration of a Stipulation and Consent Order for failure to timely comply with Peer Review, and failure to comply with applicable professional standards. The terms of the Stipulation and Consent Order required Respondent to appear before the Board; to undergo preissuance reviews of all audit services, including ERISA audits, issued for Kansas clients until further notice of the Board; payment of a fine; payment of costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees.

Ms. Lange moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order as presented. Upon a vote, the motion carried, with Mr. Weaver not participating. Ms. Richey then moved, and Mr. Marsh seconded to issue a protective order pursuant to K.S.A. 1-501(h) closing that portion of the agency records regarding the results and content of peer review. Upon a vote, the motion carried, with Mr. Weaver not participating.

D. EMILY CHRISTINE ASKINS HEARING ON PETITION TO VOID EXAM SCORES: Mr. Marsh, the investigator in this matter, recused himself. Respondent Ms. Askins appeared before the Board in person for consideration of K.S.A. 1-302(b), specifically whether Respondent had failed to comply with K.S.A. 1-302(b) and whether her CPA exam scores should be voided. After hearing testimony, Mr. Helms moved, and Ms. Richey seconded for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Mr. Weaver moved, and Ms. Richey seconded that based upon the evidence the Board concludes that the official transcript and other documents verifying completion of the educational requirements were not received by the Board or the examination service within the 120 day time period specified in K.S.A. 1-302b. Further, based upon the evidence in this specific case, the Board in exercising its discretion, concluded that Respondent's exam scores shall not be voided. Upon a vote, the motion carried, with Mr. Marsh not participating.

E. CHALLIE METZGER HEARING ON SUMMARY ORDER OF REVOCATION: Ms. Mitchell, the investigator in this matter, recused herself. Ms. Metzger appeared before the Board in person for failure to notify the Board of a change of address. After hearing testimony, Mr. Marsh moved, and Mr. Helms seconded, for the Board to go into closed session to discuss the matter.

When the Board reconvened, Mr. Helms moved, and Mr. Marsh seconded that based upon the evidence, the Board finds that Ms. Metzger violated K.S.A. 1-311(a)(8)

for failure to notify the Board of a change of address as required by K.A.R. 74-5-408, and directed Respondent to pay a fine in the amount of \$250.00 to be paid within 10 days of the date of the issuance of the Final Order and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees the amount of which is to be determined upon motion to the Board. Upon a vote, the motion carried, with Ms. Mitchell not participating.

F. TRONCONI SEGARRA & ASSOCIATES, LLP HEARING ON SUMMARY ORDER OF REVOCATION OF FIRM REGISTRATION: James Segarra appeared by telephone on behalf of the firm. This matter was before the Board for a hearing following issuance of a Summary Order for failure to comply with Peer Review. Mr. Helms moved, and Mr. Weaver seconded for the Board to go into closed session, pursuant to K.S.A. 1-501 to discuss the results and contents of Peer Review. Upon a vote, the motion carried.

When the Board reconvened in open session, Mr. Helms moved, and Mr. Marsh seconded that based upon the evidence presented, the Respondent failed to timely comply with Peer Review in accordance with K.S.A. 1-312(a)(10). Respondent was ordered to pay a fine in the amount of \$250.00 within 10 days of the issuance of the Final Order in the matter and costs pursuant to K.S.A. 1-206, the amount to which is to be determined upon motion to the Board. Upon a vote, the motion carried. Ms. Richey then moved, and Ms. Lange seconded to issue a protective order pursuant to K.S.A. 1-501(h) closing that portion of the agency records regarding the results and content of peer review. Upon a vote, the motion carried.

5. ADJOURN

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

/s/ Susan L. Somers

Susan L. Somers, Executive Director