



Alabama State Board of Public Accountancy

January 2019

TOP FIVE VIOLATIONS NOTED BY BOARD

The Alabama State Board of Public Accountancy conducts examinations in public accounting and issues certificates to successful applicants as Certified Public Accountants. The Board issues annual permits to practice to each eligible Certified Public Accountant, Public Accountant, and firm that is practicing public accountancy in Alabama. The Board annually registers Certified Public Accountants, Public Accountants, and firms.

It may revoke certificates, permits, or registrations for cause. The Board makes and publishes regulations pertaining to the conduct of Certified Public Accountants

and Public Accountants and employs persons to investigate and report on charges of unprofessional conduct. Before the Board may suspend or revoke a certificate, permit, or registration, it is required to hold a hearing. At its hearings, it may issue subpoenas to compel the attendance of witnesses and the production of records. Records of the Board, other than those recognized as "public records" under law, are confidential.

Below are the top five violations that are reviewed by the Board.

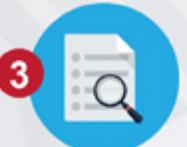
TOP FIVE VIOLATIONS NOTED BY BOARD

- **1 Inactive or Retired**

Practicing public accountancy with a license status of inactive or retired.

The practice of public accountancy includes the completion of audits, review and compilations and includes, but is not limited to, kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.
- **2 No Firm Permit**

Licenses practicing public accountancy without a firm permit.

A licensee, if practicing public accountancy, must practice under a firm with a firm permit even if the licensee operates as a sole practitioner.
- **3 Peer Review**

Licenses completing a financial statement based on requirements of the Alabama State Licensing Board for General Contractors (ASLBGC) and not enrolling in the Peer Review program.

The ASLBGC only accepts the forms completed from an Audit, Review or Compilation. These reports are all subject to Peer Review.
- **4 Alabama License**

CPAs that are located in Alabama practicing public accountancy or holding out as a CPA without obtaining a reciprocal Alabama certificate within 24 months of arriving in Alabama.
- **5 CPE Reporting**

Inability to document reported CPE hours in a CPE audit.



RULE CHANGES OF INTEREST

30-X-1-.01(f) Definition of the Practice of Public Accounting (Amended Definition)

The definition of the practice of public accountancy was amended to mirror the statute change that went into effect May 1, 2018. The rule change accomplished the following:

1. Defines the new financial engagement named Preparation Engagements and updated the definition of Compilation Engagements.
2. Further defines the services that encompass the practice of public accounting to include, but is not limited to, kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

30-X-3-.07(4) Annual Permits, Annual Registration Fees and Late Penalties

Changes the late periods to the following:

1. Annual registrations are due between October 1 and December 31.
2. If the annual registration is filed between January 1 and the last day in February, a late penalty of \$100 will be assessed.
3. If the annual registration is filed between March 1 and March 31, a late penalty of \$500 will be assessed.
4. If the annual registration is not filed by March 31, the

licensee will be considered delinquent and subject to disciplinary action by the Board up to revocation of your certificate and a fine of \$5,000 per count.

30-X-4 Examinations, Qualifications of Candidates, Applications, Passing Grades, Conditioned Subjects, Transfer of Credits, Issuance of Certificates

1. For candidate qualifications to sit for the CPA Exam, all class specific requirements have been removed while maintaining the overall number of hours in total and the number of hours between accounting and business courses.
2. Removed the reciprocal application fee for spouses of qualified military personnel.

30-X-5-.01(b) Continuing Professional Education – Retired CPAs and PAs

1. If a CPA or PA wishes to move their license to a status of retired, the CPA or PA is required to place the word “retired” adjacent to the CPA title or PA title on any business cards, letterhead, signature or anywhere the CPA or PA title appears.
2. A retired CPA or PA is not allowed to practice public accounting but is allowed to provide the following volunteer, uncompensated services: tax preparation services, participating in a government-sponsored business mentoring program, serving on the board of directors for a non-profit or governmental organization, or serving on a government-appointed advisory board.

Most Common CPA Exam Application Errors

Below are the most common errors and problems encountered when reviewing and processing applications:

- Illegible handwriting;
- Mother’s maiden name not provided;
- Not paying the application fee or paying the application fee only;
- Selecting more than one section, but paying for one section only;
- Not completing the pertinent data section, especially omitting the email address;

- Not including transcripts that show the accounting concentration has been completed (initial application);
- Not signing the application or document Immigration Compliance;
- Not including payment or including the wrong payment amount; or
- Not having the signature notarized.

To avoid approval and processing delays of your application, carefully review your application before submitting it for approval.



Disciplinary Actions

The facts of each case vary greatly and the Board's ruling is based on the merit of each case.

September 2018

Respondent: Kristin Retzke McCracken

CPA License: 10757-R

Violation: Arrested and charged with Theft of Property 1st Degree and Fraudulent Use of a Credit Card totaling \$87,594.96.

Action: Revocation and an Administrative Fine of \$5,000

Respondent: Edwyna W. Minor, CPA

CPA License: 1873

Violation: Practicing public accountancy while in inactive status and not holding a permit to practice.

Action: Administrative Fine of \$2,000

Respondent: Michelle Weaver Hallmark

CPA License: 9195

Violation: Failure to satisfy the requirements of continuing education for 2 years.

Action: Revocation and an Administrative Fine of \$6,000

Respondent: Elizabeth A. Wilson, CPA

CPA License: 3593

Violation: Failure to comply with a CPE audit.

Action: Censure and an Administrative Fine of \$1,500

Respondent: Claude Burton Honeycutt, Jr. CPA

CPA License: 6575

Violation: Failure to comply with a CPE audit.

Action: Censure and an Administrative Fine of \$1,500

Respondent: Roger Eldon Watson

CPA License: 7276

Violation: Failure to report the completion of an EBP audit to the peer review team captain.

Action: Censure and an Administrative Fine of \$1,000

November 2018

Respondent: Shannon Garrett Cook

CPA License: 10475

Violation: Offering attest services without holding a firm permit or enrollment in the peer review program.

Action: Revocation and an Administrative Fine of \$3,000

Respondent: Lisa Daniels Larson

CPA License: 5435

Violation: Failure to comply with a CPE audit.

Action: Censure and an Administrative Fine of \$2,000

Respondent: Paul Richard Dickinson, CPA

CPA License: 8576-R

Violation: Failure to comply with a CPE audit.

Action: Administrative Fine of \$2,000

Respondent: Adolphe Catlin Cade, IV

CPA License: 2923

Violation: Respondent entered into a Pre-Trial Diversion for securities fraud.

Action: Revocation and an Administrative Fine of \$5,000

Respondent: James Edward Collier, CPA

CPA License: 3603

Violation: Failure to comply with a CPE audit.

Action: Administrative Fine of \$2,000

Respondent: Tabitha Joy Ankerson, CPA

CPA License: 12228

Violation: Failure to comply with a CPE audit.

Action: Administrative Fine of \$2,000

Respondent: Ruby E. Cade, CPA

CPA License: 4252

Violation: Failure to comply with a CPE audit.

Action: Censure and an Administrative Fine of \$1,500

Respondent: Stephen David Miller

CPA License: 8386

Violation: Failure to comply with a CPE audit.

Action: Revocation and an Administrative Fine of \$2,000

UPCOMING BOARD MEETING DATES

January 18, 2019, 10:00am, The RSA Plaza Conference Center, 5th Floor, 770 Washington Avenue, Montgomery, AL

May 10, 2019, 10:00am, The RSA Plaza Conference Center, 5th Floor, 770 Washington Avenue, Montgomery, AL

July 19, 2019, 10:00am, The RSA Plaza Conference Center, 5th Floor, 770 Washington Avenue, Montgomery, AL

September 20, 2019, 10:00am, The University of Alabama at Birmingham

NOTE: Board meetings are open to the public. Applicants, candidates, and licensees are encouraged to attend the meetings.



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