

Alabama State Board of Public Accountancy
Minutes of Board Meeting
September 16, 2016

1. Date, Place and Attendance of Meeting:

A regular meeting of the Alabama State Board of Public Accountancy was held on Friday, September 16, 2016, at 445 Dexter Avenue in Montgomery, Alabama at 10:00 a.m.

Board Members Present: Mr. Steven M. Barranco, CPA
Mr. J. Earl Blackmon, CPA
Mr. Michael Terry Comer, PA
Dr. Steve Grice, CPA
Mr. Delbert Madison
Ms. Connie Sheppard-Harris, CPA
Mr. M. Chad Singletary, CPA

A lawful quorum of the Board was present for the meeting.

Also present were D. Boyd Busby, Executive Director; Carol J. Preston, Deputy Executive Director; Nicole T. Robinson, CPE Administrator; Billington M. Garrett, Assistant Attorney General; Jeannine P. Birmingham, President and CEO of the Alabama Society of CPAs; and Suzanne Jolicoeur, Senior Manager of the State Regulation and Legislation Team for the AICPA.

Present for his reinstatement hearing only was Frank A. Jenkins, III.

Sufficient prior notice of the meeting had been given as required by the Alabama Open Meetings Act.

2. Call to Order:

The meeting was called to order by Steven M. Barranco, CPA, Chair.

3. Approval of Agenda:

Mr. Singletary made a motion to approve the agenda for the September 16, 2016 meeting. Ms. Sheppard-Harris seconded and the motion carried unanimously.

4. Approval of Minutes:

Mr. Blackmon made a motion to approve the minutes of the May 6, 2016 meeting. Mr. Singletary seconded and the motion carried unanimously.

5. Request for Reinstatement—Frank A. Jenkins, III

Since Mr. Frank Jenkins was in attendance of the Board meeting, the Board moved Mr. Jenkin's request for reinstatement ahead of other items on the agenda.

A letter from Frank A. Jenkins, III, CPA Certificate No. 1731-R, requesting reinstatement to active status was presented to the Board. His reinstatement request included all of the completed forms and fees that the Board had decided at their March 21, 1997 meeting would be necessary to gain favorable consideration for reinstatement. Mr. Jenkin's written request also included the required assertion on felonies, a peer review completion letter, a written statement that he would not perform engagements subject to peer review unless he notifies the peer review committee to arrange for a pre-issuance review prior to accepting such engagements, and payment in the amount of \$2,100.00. The payment comprised the reinstatement fee of \$100.00 and the \$2,000.00 administrative fine levied in the Board's Order. Ms. Sheppard-Harris made a motion to go into Executive Session to consider the character of Mr. Jenkins. Mr. Singletary seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. The Board asked that Mr. Busby join them in Executive Session. Everyone except qualified Board members and Mr. Busby excused themselves at 10:12 a.m. with an estimated time of five to ten minutes needed to discuss the matter, and then the Board deliberated in Executive Session. After deliberation, at 10:20 a.m., Mr. Barranco called the meeting back to order and called for a motion in the matter. Mr. Singletary made a motion to reinstate Mr. Jenkin's CPA Certificate No. 1731-R to active status, noting the condition not to perform engagements subject to peer review. Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris.

6. Disciplinary Case No. 16-5 – Rebecca Lea Adams, CPA, Certificate No. 8675:

Mr. Barranco turned the meeting over to Mr. Busby who presented a consent agreement signed by Ms. Rebecca L. Adams, in which Ms. Adams waived her right to a formal hearing and agreed to the revocation of her Alabama CPA certificate No. 8675. The consent order also included Ms. Adams's payment of a \$3,000.00 Administrative fine. Mr. Singletary made a motion that the Board adopt the consent agreement with regard to Ms. Rebecca L. Adams, CPA certificate No. 8675. Mr. Grice seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary. Ms. Sheppard-Harris recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

7. Disciplinary Cases

Since Mr. Barranco served on the Investigative Committee for the next five disciplinary cases, he turned the meeting over to Mr. Singletary, Vice Chair, and recused himself from deliberating with the Board for the rest of the disciplinary cases.

Mr. Singletary turned the meeting over to Mr. Busby who presented each of the following cases individually. After each case had been presented, Ms. Sheppard-Harris made a motion that the

Board go into Executive Session to consider the character of each of the individuals in the cases. Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. Mr. Barranco abstained. Everyone except qualified Board members excused themselves at 11:10 a.m. with an estimated time of ten minutes needed to discuss the matter, and then the Board deliberated in Executive Session. After deliberation, at 11:35 a.m., Mr. Singletary called the meeting back to order and called for a motion in each of the following cases.

a. No. 16-7 – David M. Chesnut, CPA, Certificate No. 5518:

Mr. Busby presented a consent agreement signed by Mr. David M. Chesnut in which Mr. Chesnut waived his right to a formal hearing and agreed to a censure. The consent order also included Mr. Chesnut's payment of an administrative fine in the amount of \$1,000.00 per violation for a total of \$5,000.00. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. David M. Chesnut, CPA certificate No. 5518. Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. Messrs. Barranco and Blackmon recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

b. No. 16-8 –Donald W. Causey, CPA, Certificate No. 1586:

Mr. Busby presented a consent agreement signed by Mr. Donald W. Causey in which Mr. Causey waived his right to a formal hearing and agreed to a censure. The consent order also included Mr. Causey's payment of an administrative fine in the amount of \$1,000.00 per violation for a total of \$6,000.00. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. Donald W. Causey, CPA certificate No. 1586. Ms. Sheppard-Harris seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. Messrs. Barranco and Blackmon recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

c. No. 16-9—Michael B. Worrell, CPA, Certificate No. 1610:

Mr. Busby presented a consent agreement signed by Mr. Michael B. Worrell in which Mr. Worrell waived his right to a formal hearing and agreed to a censure. The consent order also included Mr. Worrell's payment of an administrative fine in the amount of \$1,000.00 per violation for a total of \$5,000.00. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. Michael B. Worrell, CPA certificate No. 1610. Mr. Madison seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. Messrs. Barranco and Blackmon recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

d. No. 16-11—James A. Bell, CPA, Certificate No. 6946:

Mr. Busby presented a consent agreement signed by Mr. James A. Bell in which Mr. Bell waived his right to a formal hearing and agreed to a censure. The consent order also included Mr. Bell's payment of an administrative fine in the amount of \$1,000.00 per violation for a total of \$5,000.00. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. James A. Bell, CPA certificate No. 6946. Mr. Madison seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. Mr. Barranco recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

e. No. 16-23—Robert Q. Poole, CPA, Certificate No. 3064:

Mr. Busby presented a consent agreement signed by Mr. Robert Q. Poole in which Mr. Poole waived his right to a formal hearing and agreed to a censure. The consent order also included Mr. Poole's payment of an administrative fine in the amount of \$1,000.00 per violation for a total of \$2,000.00. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. Robert Q. Poole, CPA certificate No. 3064. Mr. Madison seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris. Messrs. Barranco and Blackmon recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

8. Request for Reinstatement – James H. Corbin, Jr.:

A letter from James H. Corbin, Jr., CPA Certificate No. 783, requesting reinstatement to active status was presented to the Board. His reinstatement request included all of the completed forms and fees that the Board had decided at their March 21, 1997 meeting would be necessary to gain favorable consideration for reinstatement. Mr. Corbin did not attend the hearing, and it was conducted in his absence. Mr. Corbin's written request also included the required assertion on felonies, completed 2015-2016 personal and firm registration forms, peer review completion letter, and payment in the amount of \$2,100.00. The payment comprised the reinstatement fee of \$100.00 and the \$2,000.00 administrative fine levied in the Board's Order. After discussion, Mr. Singletary made a motion not to reinstate Mr. Corbin's CPA Certificate No. 783. Mr. Blackmon seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris.

9. Request for Reinstatement – Rhonda I. Striplin:

A letter from Rhonda I. Striplin, CPA Certificate No. 8842-R, requesting reinstatement to inactive status was presented to the Board. Her reinstatement request included all of the completed forms and fees that the Board had decided at their March 21, 1997 meeting would be necessary to gain favorable consideration for reinstatement. Ms. Striplin did not attend the hearing and it was conducted in her absence. Ms. Striplin's written request also included the required assertion on felonies, completed 2014-2015 and 2015-2016 personal registration forms, and payment in the amount of \$5,200.00. The payment comprised the reinstatement fee of \$100.00; the \$4,000.00 administrative fines levied in the Board's Orders; the \$100.00 registration fees for the

fiscal years 2014-2015 and 2015-2016; and late renewal penalties of \$1,000.00 for the fiscal years 2014-2015 and 2015-2016. After discussion, Mr. Singletary made a motion to reinstate Ms. Striplin's CPA Certificate No. 8842-R to inactive status. Ms. Sheppard-Harris seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris.

10. AICPA Presentation by Suzanne Jolicoeur:

Mr. Barranco moved Ms. Susanne Jolicoeur's presentation ahead of the Executive Director's Update and Report on Activities to accommodate Ms. Jolicoeur's travel schedule. Ms. Jolicoeur, Senior Manager, State Regulatory Outreach AICPA shared with the Board a presentation of recent and ongoing activities of the AICPA Regulatory and Legislation Team.

Mr. Barranco dismissed the Board for a lunch break at 12:28 p.m., and the Board reconvened at 1:46 p.m.

11. Executive Director's Update and Report on Activities:

(a) Update on enforcement activities:

Mr. Busby updated the Board on enforcement activities over the past year. Mr. Busby provided the Board with statistical data regarding the number of visits made and the results found.

(b) PTIN Review:

Mr. Busby updated the Board on a project of inquiry regarding CPAs who report having a PTIN, yet were not associated with a firm. The Board's follow up with these CPAs resulted in the registration of 95 new firms.

(c) PTIN Review (List from IRS):

Mr. Busby informed the Board that Ms. Preston was currently working on this project comparing a list of individuals who applied for a PTIN as a CPA. The goal of this project is to search for non-CPAs assuming the CPA title, retired and inactive CPAs who are active in public accounting and CPAs who are active in public accounting but have not registered a firm.

(d) DOL List of Firms Completing EBP Audits for AL Entities:

Mr. Busby informed the Board that Ms. Preston was currently working on this project searching a DOL provided list of firms that completed an EBP engagement for the year ended 2014. The goal of this project is to verify if the Alabama firm is registered with the Board and review their System Review Report on State Board Access to make sure that an EBP audit was pulled for review.

(e) Items on Radar:

Mr. Busby discussed other issues that he would be tracking and bringing before the Board during FY 2016-2017.

(f) Alabama Board Indemnity/Immunity:

Mr. Garrett advised the Board regarding Board immunity with regard to Board Rules.

12. Memo - NLO Task Force:

Mr. Busby updated the Board on the findings of the NLO Task Force. Since the Task Force recommends that the Board not pursue at this time, the Board took no action.

13. Approval of Rule Changes:

Mr. Busby presented proposed changes to Chapters 30-X-1, 30-X-2, 30-X-3, 30-X-4 and 30-X-7 of the Board's Rules. Mr. Singletary made a motion that the Executive Director and the Board Counsel proceed with the rulemaking procedures required in the Alabama Administrative Procedures Act to effect the adoption of the proposed amendments to Board Chapters 30-X-1, 30-X-2, 30-X-3, 30-X-4 and 30-X-7. Ms. Sheppard-Harris seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris.

14. Evolution of Peer Review Administration – White Paper Update

Mr. Busby talked to the Board about the proposed peer review changes. Ms. Birmingham also briefed the Board on the AICPA's progress in deciding on peer review changes.

15. Approval of April – May – June 2016 CPA Examination Grades:

The Board was presented with the AICPA Advisory Grades for the April – May – June 2016 Uniform CPA Examination for review. After review, Mr. Singletary made a motion to approve the grades as released to candidates on June 1, 2016, June 15, 2016, and July 7, 2016. Mr. Grice seconded and the motion carried unanimously.

16. Approval of Operating Calendar for FY 2016-2017:

An Operating Calendar for FY 2016-2017 was presented to the Board. After discussion, Mr. Comer made a motion to approve the Operating Calendar as presented. Mr. Grice seconded and the motion carried unanimously.

17. Approval of FY 2016-2017 Operations Plan:

The FY 2016-2017 Operations Plan was presented to the Board. After discussion, Mr. Grice made a motion to approve the Operations Plan as presented. Mr. Singletary seconded and the motion carried unanimously.

18. Alabama CPA Examination Statistics:

A statistical summary of the Alabama CPA Examination was presented to the Board. A brief discussion ensued but no action was taken.

19. FY 2015-2016 Delinquent Licensees Update:

A statistical summary of FY 2015-2016 delinquent licensees was presented to the Board. A brief discussion ensued but no action was taken.

20. Peer Review Delinquencies at December 31, 2015 Update:

A statistical summary of Delinquent Peer Reviews as of December 31, 2015 was presented to the Board. A brief discussion ensued but no action was taken.

21. CPE Audits Update:

A statistical summary of CPE audit results to date for the CPE reporting period ended September 30, 2015 was presented to the Board. A brief discussion ensued but no action was taken.

22. Complaints Update:

A complaints summary for FY 2009-2010 through FY 2015-2016 was presented to the Board. A brief discussion ensued but no action was taken.

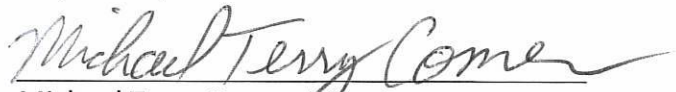
23. Licensees Count:

A statistical summary of the number of Board licensees by category as of August 29, 2016 was presented to the Board. A brief discussion ensued but no action was taken.

24. Adjournment of Meeting:

The next meeting of the Board is scheduled for Wednesday, November 16, 2016 at 10:00 a.m. at The University of Alabama, The Ferguson Student Center, 751 Campus Drive West, Tuscaloosa, AL 35404. There being no further business to come before the Board, Mr. Singletary made a motion to adjourn. Mr. Madison seconded and the motion carried unanimously. The meeting adjourned at 3:23 p.m.

Respectfully Submitted:



Michael Terry Comer, PA
Secretary

Approved:



Steven M. Barranco, CPA
Chair