

**Alabama State Board of Public Accountancy
Minutes of Board Meeting
November 16, 2016**

1. Date, Place and Attendance of Meeting:

A regular meeting of the Alabama State Board of Public Accountancy was held on Friday, November 16, 2016, at the University of Alabama, Tuscaloosa, 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; and Jeannine P. Birmingham, President and CEO of the Alabama Society of CPAs.

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 as presented for the November 16, 2016 meeting. Ms. Sheppard-Harris seconded and the motion carried unanimously.

4. Approval of Minutes:

Mr. Singletary made a motion to approve the minutes of the September 16, 2016 meeting. Mr. Comer seconded and the motion carried unanimously.

5. Election of Officers:

Mr. Barranco nominated Mr. Singletary, Chair; Ms. Sheppard-Harris, Vice Chair and Mr. Madison, Secretary. Mr. Comer seconded and the motion carried unanimously. The newly elected officers acceded to their respective offices immediately.

6. Disciplinary Cases:

a. Disciplinary Case No. 16-6 – Robert T Hudson, CPA, Certificate No. 2139:

Mr. Busby presented a consent agreement signed by Mr. Robert T. Hudson in which Mr. Hudson waived his right to a formal hearing and agreed to a censure. The consent order also included Mr. Hudson's payment of an administrative fine in the amount of \$1,000.00 per violation for a total of \$6,000.00. Ms. Sheppard-Harris made a motion to go into Executive Session to discuss the general reputation and character of Mr. Hudson. Mr. Grice 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. Qualified Board members excused themselves at 10:50 a.m. with an estimated time of fifteen minutes needed to discuss the matter, and then the Board deliberated in Executive Session. After deliberation, at 11:02 a.m., Mr. Singletary called the meeting back to order and called for a motion in the matter. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. Robert T. Hudson, CPA certificate No. 2139. 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. Mr. Barranco recused and Mr. Blackmon abstained. The Board's Consent Agreement is attached and becomes a part of these minutes.

b. Disciplinary Case No. 16-26—Haiden W. Turner, CPA, Certificate No. 2423:

Mr. Busby presented a consent agreement signed by Mr. Haiden W. Turner, in which Mr. Turner waived his right to a formal hearing and agreed to the revocation of his Alabama CPA certificate No. 2423. The consent order also included an agreement for Mr. Turner to pay a \$5,000.00 Administrative fine within twelve months of acceptance of the settlement. Mr. Grice made a motion that the Board adopt the consent agreement with regard to Mr. Haiden W. Turner, CPA certificate No. 2423. 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 recused. The Board's Consent Agreement is attached and becomes a part of these minutes.

7. Request for Reinstatement: Michael N. Deitch

Mr. Busby presented a letter from Michael N. Deitch, CPA Certificate No. 4966-R, requesting reinstatement to inactive status. 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. Deitch did not attend the hearing and it was conducted in his absence. Mr. Deitch's written request also included the required assertion on felonies, a completed Immigration Compliance form, a completed 2016-2017 personal registration form, and payment in the amount of \$12,850.00. The payment comprised the reinstatement fee of \$100.00; the \$1,000.00 administrative fine levied in the Board's Order; the \$750.00 registration fees for the fiscal years 1994-1995 through 2016-2017; and late renewal penalties of \$11,000.00 for the fiscal years 1994-1995 through 2015-2016. Mr. Deitch's letter also included a request for the Board to consider a reduction of the penalties in his case. After discussion, Mr. Blackmon made a motion to reinstate Mr. Deitch's CPA Certificate No 4966-R to

inactive status and reduce the late renewal penalties to \$5,000. Mr. Grice 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 voted against the motion.

8. Public Hearing & Final Approval of Rule Changes:

Mr. Singletary opened the meeting to a public hearing to discuss the final approval of rule changes. Mr. Busby presented the final rule changes to Chapters 30-X-1, 30-X-2, 30-X-3, 30-X-4, and 30-X-7 of the Board's Rules. There were no comments made regarding the proposed changes to the Board's Rules. Mr. Grice made a motion to adopt the final rule changes for Chapters 30-X-1, 30-X-2, 30-X-3, 30-X-4, and 30-X-7 of the Board's Rules. Mr. Barranco 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. Mr. Singletary ended the public hearing portion of the meeting.

9. Executive Director's Update & 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) California Board Review for Firm Mobility:

Mr. Busby informed the Board that Alabama is one of 10 states mentioned at the NASBA meeting that does not have a flag for discipline. Mr. Busby informed the Board that the Board office is currently working with the software vendor to get this change implemented by January 2017.

(f) Alabama Legislature—Joint Task Force on Budget Reform:

Mr. Busby informed the Board of the activities of this task force and that he would continue to monitor this committee and their direction.

(g) Ban the Box Legislation:

Mr. Busby informed the Board of the progress this legislation is making and that he would continue to monitor the upcoming bill.

(h) Items on Radar:

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

10. Discussion of UAA Change on “Retired” Status:

Mr. Busby discussed the proposed changes by the UAA and discussed a possible change of the Board Rules to coincide with these changes, once adopted. The Board indicated that they were in favor of discussing such changes in the Board Rules once the UAA changes are finalized.

Mr. Singletary dismissed the Board for a lunch break at 11:56 a.m., and the Board reconvened at 1:08 p.m.

11. Discussion on NASBA Printing CPA Certificates:

Mr. Busby presented to the Board the option of having NASBA print CPA certificates, with the ultimate goal of releasing certificates to new CPAs in a timelier manner and cutting expenses of lettering and mailing certificates. The consensus was that the Board was in favor of considering the change but would like to see samples of actual certificates before making a decision.

12. Approval of 2017-2018 Budget Request:

The Board’s Budget Request package for FY 2017-2018 was presented to the Board. After review and discussion, Mr. Comer made a motion to approve the Board’s Budget Request package as presented and include it as part of the Board minutes. Mr. Barranco seconded and the motion carried unanimously on a roll call vote with Messrs. Barranco, Blackmon, Comer, Grice, Madison, Singletary, and Ms. Sheppard-Harris voting in favor of the motion.

13. Approval of New CPA Certificates:

Mr. Grice made a motion to approve new CPA Certificates No. 12840 through 12951-R. Ms. Sheppard-Harris seconded and the motion carried unanimously.

14. Approval of July – September 2016 CPA Examination Grades:

The Board was presented with the AICPA Advisory Grades for the July – September 2016 Uniform CPA Examination. After review, Mr. Blackmon made a motion to approve the grades as released

to candidates on September 9, 2016 and October 7, 2016. Ms. Comer seconded and the motion carried unanimously.

15. 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.

16. New Certifications by Transfer of Grades:

A statistical summary of new certifications by transfer of grades was presented to the Board for review. A brief discussion ensued but no action was taken.

17. 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.

18. Peer Review Delinquencies Update December 31, 2015:

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.

19. 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.

20. Complaints Update:

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

21. Licensee Count:

A statistical summary of the number of Board licensees by category as of November 4, 2016 was presented to the Board. A brief discussion ensued but no action was taken.

22. FY 2014-2015 Licensees Who Voluntarily Surrendered:

A list of licensees who voluntarily surrendered their CPA Certificates in good standing during 2015-2016 was presented to the Board. A brief discussion ensued but no action was taken.


23. Other Business:

Mr. Busby presented Mr. Singletary with a badge in recognition of his service on the Board.

24. Adjournment of Meeting:

The next meeting of the Board is scheduled for Friday, January 13, 2017 at 10:00 a.m. in Mobile, Alabama at the campus of the University of South Alabama. There being no further business to come before the Board, Mr. Grice made a motion to adjourn. Mr. Comer seconded and the motion carried unanimously. The meeting adjourned at 1:35 p.m.

Respectfully Submitted:



Delbert Madison
Secretary

Approved:



M. Chad Singletary, CPA
Chair