

Accountancy **News**

August 2002

Want to SAVE \$ 100.00?

OAR 801-030-0020(10) requires licensees to provide written notice to the Oregon Board of Accountancy of change of address, employment or assumed business name within 30 days. The Board is not authorized to change this information except by the licensee's written request. The purpose of this requirement is to protect licensees from changes to the official records submitted by unauthorized persons and to assure that the correct information is entered. It also assures that licensees will receive important information from the Board of Accountancy regarding their license. Notice may be submitted by e-mail, fax or mail delivery. Failure to submit written notice to the Board will result in a civil penalty of \$100.

Board records for individuals and firms are maintained separately. A change of address request that is submitted by an individual will not automatically change the individual's firm address. The written request must state that the change of address applies to the licensee record and to the firm record.

Every renewal period the Board mails renewal forms to the official address on record for each licensee. Many of these renewal forms are returned by the post office for failure to deliver, resulting in assessment of the civil penalty. Remember that notification to professional organizations does not meet the requirement for notice to the Board of Accountancy, and failure of an office manager or other staff person to provide the notice does not relieve the licensee from this responsibility.

2001 CPE Audit Results

The 2001 CPE audit verified CPE reports from 233 randomly selected licensees. Of the 233 licensees, 30 licensees were required to submit additional information and/or remedy CPE deficiencies. All 30 licensees are now in CPE compliance for the renewal period ending June 30, 2001.

Licensees are required to provide evidence of all CPE courses and information describing how each CPE course claimed for credit contributes to the licensee's professional competence in public accountancy. Proof of completion certificates must document the licensee's attendance or completion of the program and the duration of the course (i.e. 1:00 pm - 5:00 pm) or specify the amount of credit awarded for the course.

Be sure to require the Program provider to produce a proof of completion certificate. Licensees are required to maintain CPE verification records for five (5) years. The CPE audit for the renewal period ending June 30, 2002 will begin in September 2002.

May 2002 CPA Examination

The Uniform CPA examination was held on May 8-9, 2002 at the State Fairgrounds in Salem. Of 355 Oregon candidates who took the exam, 86 candidates passed (24%), 107 conditioned (30%), and 151 failed (43%). 11 candidates passed the examination the first time sitting (3%).

Newsletters: The *Accountancy News* is published every two months. It is posted on the web site (www.boa.state.or.us). Licensees who would like to receive the newsletter by US mail or e-mail should contact Kimberly Bennett at the Board office, 503.378.4181 x24 or kimberly.bennett@state.or.us.

Fee Disputes:

The Board receives frequent complaints after tax season that often begin as a simple fee dispute. Clients complain when they are surprised by invoices for fees in excess of what they expected.

Although the fees may be justified and charges may be similar to those of another accountant, the client may not be satisfied.

Licensees may minimize the likelihood of a client complaint regarding fees by using an engagement letter for all engagements.

A well-prepared engagement letter informs clients of the terms of the agreement. Common provisions in an engagement letter include the following:

- Identification of the client;
- Description of the agreement and its limitations;
- Timing of the work and staffing of the engagement;
- Client information and responsibilities;
- Designation of the party to work with the CPA;
- Identification of intended users of the CPA's work product;
- Fees and payments;
- Withdrawing from and/or terminating the engagement;
- Responding to discovery requests, subpoenas, and outside inquiries;
- Alternative dispute resolution as a means of resolving disputes;
- Where applicable, disclosures recommended or required by the AICPA; and
- Client signature.

Once the client has reviewed and signed the engagement letter, provide the client with a copy. Well-structured engagement letters can help reduce misunderstandings regarding fees and services to be performed, which in turn may also avoid complaints made to the Board about your practice.

¹ "Activity Review" by NC State Board of Certified Public Accountant Examiners - No. 3 2002

DISCIPLINARY ACTIONS

This is a brief description of action taken by the Board for violations of ORS Chapter 673 and OAR Chapter 801. This report is condensed and may not include all the facts set forth in the Board order. Readers should contact the Board if they would like further information.

Billups & Jensen CPAs PC #587 On May 20, 2002 the Oregon Board of Accountancy approved a Consent Order for Billups & Jensen CPAs PC to pay a civil penalty of \$2,500 for using an unregistered firm name.

Brooke Clifford, CPA #2987 On July 8, 2002 the Oregon Board of Accountancy approved a Consent Agreement to censure Brooke Clifford for preparing tax returns under the name of a firm that was not registered to provide public accounting services.

Jacqueline Cook On April 30, 2002 the Oregon Board of Accountancy assessed a civil penalty of \$10,000 by default against Jacqueline Cook for falsely representing to the public that she holds an active license and permit, and that her firm was registered to practice public accountancy in Oregon.

Carl Foster, CPA, #3939 On July 1, 2002 the Oregon Board of Accountancy approved a Consent Agreement for Carl Foster to pay \$1,000 civil penalty for preparing tax returns under the name of a firm that was not registered to provide public accounting services.

Eric A Meade, CPA #7445 On April 30, 2002 the Oregon Board of Accountancy issued a Final Order by default suspending Oregon Certified Public Accounting certificate held by Eric A. Meade for failure to comply with the terms of a Consent Agreement and failure to pay an assessed civil penalty.

Loren R Northup, CPA #4472 On May 20, 2002 the Oregon Board of Accountancy approved a Consent Order for Loren Northup to report four hours of continuing professional education in ethics, in addition to the standard requirement, and pay a civil penalty of \$6,000. Loren R. Northup performed public accounting services in an unregistered firm, engaged in incompatible occupations, and used public communications that included deceptive or misleading statements.

Dean J. Rothenfluch, CPA #3407 On June 21, 2002 the Oregon Board of Accountancy approved a Consent Order censuring Dean J. Rothenfluch for disclosure of confidential client information.

Rob Spooner On February 26, 2001 the Oregon Board of Accountancy issued a Final Order against Rob Spooner and a civil penalty for \$100 for falsely representing to the public that he holds an active certificate and permit to practice public accountancy in Oregon.

Bobbie L Winters, CPA #8053 On July 15, 2002 the Oregon Board of Accountancy approved a Consent Order for Bobbie L. Winters to pay a civil penalty for \$1,000 for using misleading advertising.

Interested? The Board is currently seeking committee volunteers for the Peer Review Oversight Committee, and the Qualifications Committee. The Qualifications committee would like to find a member in academia and a member in public accounting. The Peer Review Oversight Committee is looking for a member with Peer Review training and experience. Each committee meets approximately one-half day every other month, with occasional assignments to committee members in addition to preparation for committee meetings.

If you are interested, please contact the Board office for a *Committee Interest Form* or visit our website at www.boa.state.or.us under "About the Board". Please submit a current resume with the interest form.

2002 Meeting Schedule

Board Meetings:

October 20-21 - Newport

December 16 - Salem