

Accountancy **News**

October 2005

A message from the Board Chair

Stuart H. Morris, PA

With every renewal cycle the Board reviews how well Oregon licensees comply with renewal requirements. Continuing education is one of the most important licensing requirements, both to the Board and to licensees. High quality continuing education helps licensees who want to enhance their current skills, expand their professional knowledge and keep abreast of the current developments that may affect their clients or their business. The CPE reporting requirement allows the Board to determine whether licensees are maintaining competency in their professional skills.

Licensees are advised to improve the monitoring and documentation of CPE hours so that their records are complete and accurate each renewal period. Non-compliance with CPE requirements is discovered during the renewal process and also through the CPE audit that is conducted each year. Licensees are required to certify that they are in compliance with the continuing education rules at each renewal, and the Board will assess a civil penalty against licensees who falsely certify on the renewal form that they have satisfied the requirements.

The renewal process is unnecessarily extended each year until September 1 to allow licensees who haven't met the CPE or other renewal requirements to become compliant before the date of lapse. This places a hardship on Board staff, who are required to continue to correspond with and track responses from non-compliant licensees. It is also unfair to the majority of licensees who meet the requirements every renewal period.

The beginning of each renewal period is a new opportunity for each of us to plan ahead for the continuing education that is required to maintain competency in our practice, and to properly document the continuing education programs that we take.

CPAs and PAs are obligated to serve the public interest, honor the public trust and demonstrate a commitment to professionalism (Code of Professional Conduct). The increasing trend of non-compliance with CPE requirements and inaccurate or dishonest reporting of CPE is a discredit to our profession. If you have questions regarding continuing education or renewal rules, do not hesitate to contact the Board staff. They are always more than willing to assist you in maintaining compliance.

CONSIDER THIS:

Happily looking forward to the holidays, and especially your annual Halloween Bash, you receive a letter from the Board of Accountancy. Whoa, what's up? It seems your name was selected for the CPE audit.

Here are a few tips that will help make the ordeal less, well, less of an ordeal!

- 1) Respond to the CPE Audit Notice letter in writing within 21 days to avoid a \$250 civil penalty for failure to respond. *OAR 801-030-0020(7)(A)*
- 2) Provide **copies** of your proof of completion for each program listed on your 2005 CPE report. Licensees are required to maintain the proof of completion for 5 years after the completion of each CPE program. *OAR 801-040-0050(2)*.
- 3) Contact Heather Shepherd, CPE Committee Coordinator with any questions you may have at 503.378.4181x 25 or heather.shepherd@state.or.us.

Biennial Renewal of Firm Registrations

Renewal application for firm registration will be mailed by November 15, 2005. CPA firm registrations expire December 31, 2005. Any firm that has not renewed by December 31, 2005 must include payment of the \$35 late fee.

Firm registrations that are not renewed by January 31, 2006 will be terminated.

If your firm is required to register with the Oregon Secretary of State, Corporation Division you must provide evidence of active registration by sending a printout with your renewal form. Oregon Corporation Division website is: www.sos.state.or.us/corporation

NEW RULES for Firm Renewal

Chapter 801, Division 050: Peer Review and Peer Review Oversight

The website path to the Oregon Administrative Rules is <http://egov.oregon.gov/BOA/>
Highlights of changes made to Division 050 include but are not limited to the following.

Peer Review Enrollment and Participation in Peer Review Program 801-050-0020

Enrollment Requirement: Every firm that performs attestation or compilation services in Oregon or for Oregon clients, is required to participate in an approved peer review program.

Public accounting services subject to peer review: Attest and compilation services that require participation in a peer review program include, but are not limited to: any level of review, audit, agreed-upon procedures, report on a financial statement, examination of prospective financial statements, reports on internal control effectiveness, and compilations of a financial statement.

Public accounting services not subject to peer review: Firms that prepare reports under Statements on Standards for Accounting and Review Services that do not require a report (SSARS 8) and that perform no other attest or compilation services, are not required to participate in a peer review program; however SSARS 8 reports prepared by a firm that is otherwise required to participate in a peer review program shall be included in the selection of reports for peer review.

Each firm that is required to participate in a peer review program under this rule shall enroll in an approved program within 21 days of the date the engagement letter to perform attest or compilation services is signed by the clients, and notify the Board of such enrollment.

Firms that do not have a physical location in this state, but nevertheless perform attest or compilation services in this state, are required to participate in a peer review program approved by the Board, and may be required to demonstrate that the out-of-state office(s) through which the services are being provided follows the same quality control policies and procedures established by the firm that has been subjected to peer review in the other state.

Exemption from Enrollment Requirement: Firms that do not perform attest or compilation services described in this rule are not required to participate in a peer review program.

Reporting Requirements OAR 801-050-0040

Submitting Peer Review Reports: Firms that receive any of the following peer review reports shall provide written notice describing such peer review reports to the Board within 45 days of receiving acceptance from a peer review report acceptance body (RAB): two consecutive modified system review reports; one adverse system review report; two consecutive adverse engagement review reports; two consecutive report review reports with "significant issues" as defined by the AICPA Peer Review Board requirements; an adverse engagement review following a modified engagement review; or any combination of the above.

Firms shall provide copies of the following documents related to each substandard peer review report: Peer review report issued; Letter of comments; Letter, if any, from the RAB prescribing corrective actions; Firm's response letter; A letter from the firm to the Board describing the firm's corrective actions taken relating to the requirements of the RAB; and any other information the firm deems important for the Board's understanding of the information submitted.

Proposed administrative rule revisions are listed below. An Administrative Rule Hearing will be held October 20, 2005 from 10:00 a.m. to Noon at the Board Office located at 3218 Pringle Rd SE, Salem, OR 97302.

If a division is not listed, there are no proposed changes. A copy of the proposed revisions are on the Board website - <http://egov.oregon.gov/BOA/KeepingCurrent.shtml>

- [Division 001](#)
- [Division 005](#)
- [Division 010](#)
- [Division 020](#)
- [Division 030](#)
- [Division 040](#)
- [Division 050](#)

The revised rules will be effective January 1, 2006, unless otherwise noted, and may also be viewed on the Board website - <http://egov.oregon.gov/BOA/adminrules.shtml>

Substantial Equivalency

The following states do not meet substantial equivalency standards:

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|---|----------------|
| Colorado | Puerto Rico |
| Delaware | Vermont |
| Florida | Virgin Islands |
| New Hampshire | |
| California – unless licensed under 5093 | |

Individuals licensed in these states who have 150 college semester hours and one year experience may apply through NASBA Credential Net to determine if their individual credentials meet substantial equivalency standards.

The Credential Net application is available at <http://www.nasba.org/nasbaweb.nsf/lp>

2005 Board Meeting Schedule
October 16-17 – Eugene Hilton
December 12 – Salem Board Office

**Meetings of the Board are open to the public Unless
otherwise noted, meetings begin at 9:00 a.m.**

CBT News...

The following candidates completed the CPA exam during the July/August 2005 testing window. Congratulations!

- | | | | |
|--------------------------|------------------|-------------------|------------------|
| Bahr, Kenneth | Glenn, Ryan | Morris, Lael | Smith, Kimberly |
| Bates, Andrew | Hagen, Jenson | Muljadi, Ria | Spencer, Ashley |
| Bemis, John | Hanus, Michelle | Nelson, Daneil | Timmons, Jason |
| Bridgens, Jeffery | Kaneshiro, Arryl | Ochsner, Ryan | Whipple, Michael |
| Collier, Tiffany | Lawler, Katie | Parrish, Erik | Wolfe, Justin |
| Daniels(Frank), Brittani | Leback, Kathryn | Platten, Virginia | Wu, Ping-Cheng |
| Donohue, John M. | Meyers, Andrew | Puckett, Adam | Yarbrough, Thor |
| Erz, Kathryn | Mikami, Yoshiko | Russell, Francis | |
| Gill, Brian | Miller, Benjamin | Shintani, Kazuya | |

The Board has implemented a list serve information program. Subscribers may receive information from the Board via an internet subscription service. Licensees who have previously submitted an e-mail address were included on the subscription list. An individual who prefers not to receive this information, or who prefers to receive the information at a different e-mail address may unsubscribe from the service and resubscribe using the preferred e-mail address.

Subscribers will receive the Board of Accountancy newsletter, administrative rule revisions, information concerning professional issues, and other information that affects licensees.

DISCIPLINARY ACTIONS

It is the Board's policy to publish the name of each licensee who is disciplined for violations of Board statutes and rules, including licensees who fail to provide a change of address. The easiest way to change your address is to access the change of address form on the Board website at www.Oregon.gov/BOA using the tool bar on the left. You will receive an e-mail confirmation within 24 hours for address changes submitted on-line.

OAR 801-030-0020 (9) Notification of change of address, employer or assumed business name.

Licensees are required to maintain a current record with the Board of the information described in this rule, and to provide written notice to the Board of any change in such information within 30 days of such change. Written notice required under this rule may be provided by US mail, private delivery service, fax transmittal, e-mail or personal delivery. The information required under this rule will not be accepted over the telephone: (a) Licensee's current business and residential addresses. If the number of a post office box, mail drop or pick-up service is provided for either address, the licensee must also provide the physical address; (b) The name and address of licensee's current employer; and (c) Any assumed business name used by licensee, if licensee is conducting the practice of public accountancy under an assumed business name.

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 for further information.

A \$100 civil penalty was assessed against the following licensees for failure to provide written notice of change of address within 30 days:

Roberta J Andrew	Barry W Gault	Fred Michael
Tanya M Anthes	Kenneth Giles	Chris Redhouse
Robert A Barkman	David R Goodknight	Cliff Sander
Timothy L Brackney	Paul Kamins	Vladimir Turin
Peter P Brown	Sean Keys	Josie Vanderzanden
John D Carbonaro	Robert Kikes	Sandra Vandyke
Joseph C Cooke Jr	Sheila Lamvik	Nicholas Van Vleet
Jerri Eckmann	Neil Lieberman	Lisa Wanless
David L Foreman	Bere W Lindley	William Zielinski
Thomas Freedman	Carol Meyers	

A \$100 civil penalty was assessed against the following licensees for failure to respond to Board communication within 21 days.

Tucker A Fife
Smitha Kasturi
Kari Mitchell
Kenneth Wise

Discipline

Edward Culp was assessed a \$500 civil penalty and 16 additional hours of Continuing Professional Education (CPE) in individual income tax preparation for violation of OAR 801-030-0010 (1) when he miscalculated client tax due to South Carolina and IRS, and he did not consider tax due to Oregon.

Stacy Elmore was assessed a \$5,000 civil penalty for five (5) violations of ORS 673.325 when she issued misleading reports on financial statements.

Jerome Levey was assessed a \$1,250 civil penalty for violation of 801-030-0020 (1) Professional misconduct and agrees that all future invoices for extended tax service or similar audit services will be accompanied by a written insert that explains any conditions on provision of such services.

J. Brooks Peacock, final order issued on September 30, 2005 to deny CPA Certificate based on a third degree felony conviction, by entry of the Plea in Abeyance, in the Fourth Judicial District Court of Utah.

Kari Mitchell was assessed a \$1,500 civil penalty for violations of ORS 673.160 and OAR 801-010-0345(1) for failure to register a public accounting firm. Mitchell is also required to complete eight (8) additional hours of continuing professional education in S-Corporation taxation for violation of OAR 801-030-0010(1), Competence and Technical Standards.

Ben Smith was assessed a \$1,000 civil penalty and 16 hours of continuing education in individual tax in addition to the 80 required hours for violation of OAR 801-030-0010, Professional Competence when Smith did not advise client about a tax credit available to parents of disabled children and did not correctly report traditional IRAs that were converted to Roth IRAs.

Board Members

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Newsletters: The *Accountancy News* is published every two months. It is posted on the web site (egov.oregon.gov/BOA). Licensees who would like to receive the newsletter by US mail or e-mail need to contact Kimberly Bennett at 503.378.4181 x 24 or kimberly.bennett@state.or.us

New Licenses Granted September 1 – October 3, 2005

KERSTIN AMTHOR
TONY ANDRADE
JANNA J BAKKER
GREGORY M BEAMS
TRENTON C BLAIR
SIDNEY H BOLES
NATHAN SAMUEL BRENTANO
NICHOLAS W BUCHANAN
LORRAINE L BUNNELL
CASEY R CAVANAUGH
DIRK P.M. CONRADIE
ELIZABETH ANNE CRAVEN
JULIE DESIMONE

MICHAEL ROBERT DODD
TERI ELWORTHY
THOMAS G FARNHAM
JASON R FILIPPINI
NICHOLAS ANTHONY FRANK
DANIEL LAWRENCE GROOM
DANIEL JAMES HALL
TERI L JOHNSON
SHARON LEE KREIDER
TONYA MARIA KRZEMINSKI
PEGGY ELIZABETH LAYMAN
JAMES RILEY LOFTIN
DONALD R LOSTER

WAN-SHU LU
TRENT MARTIN
NICOLE K MARTINEZ
SEAN MAY
JOHN RAY MCCULLEY
KEVIN W MERWIN
JESSE LEE NELSON
ERIN MIKAL O'TOOLE
BRANDON K OLSEN
DONALD OVERTURF
AMY ILENE-DALE PALACIOS
TODD B PREECE
SARA NORTH REUTER

JAMES M RIDENOUR
M ROBERT RIGNELL
CORINN MARIE RONE
WILLIAM J SABLAN
JOSHUA JAMES SNODDY
JOSEPH J STODDARD
DINY SIJBRIGJE van der VEEN
KIMBERLY A WALTON
ALOIS K WEIDINGER
CRYSTAL JEAN WELLS
JAMES RANDALL WELLS
BRENT R WOODLAND
HUI XIE

Lapsed Licenses – Licensees who are not offering or providing public accounting services and who do not use the CPA or PA designation may choose to allow their permit to lapse. You can indicate that you want to let your permit lapse by stating that you do not wish to renew on the renewal application. In Oregon there is no negative stigma attached to a lapsed license, so long as the licensee is not performing public accounting services or holding out. The Board does not send renewal applications or other material to lapsed licensees, and lapsed licensees are not obligated to provide the Board with change of address information. A lapsed license may be reinstated by paying the active permit fees and meeting the continuing education requirements for the period of lapse. *OAR 801-040-0090*

A problem occurs, however, if a permit becomes lapsed inadvertently because the licensee either forgot to renew or did not meet the renewal requirements. In this situation, the licensee may not continue to offer public

accounting services or use the CPA or PA designation until the permit is reinstated. Licensees who continue to practice public accountancy or to hold out during the period of lapse are subject to revocation and civil penalties of \$5,000 per violation. ORS 673.320

OMOLABAKE OLADOTUN AKINSOLA	JOEL H FIELDS	CHARLES F LARSON	CLIFFORD V SANDER
EZRA J ALBRECHT	CLYDE STEVEN FLADWOOD	LESLIE JILL LEACH	JUDITH MICKLE SARSAM
GARY PATRICK ALLEN	KENT S FOLTZ	SANDRA KATHRYN LEWIS	JOHANNES G SCHOUTEN
DANIEL WAYNE ANDERSON	DAVID LINCOLN FOREMAN	EDWARD B LOW	HANS H SCHROEDER
WANDA L ANDERSON	MAURELLE J FOSTER	KEITH B MARTIN	CLAIRE ETHNA SCHULTE
ROBERTA J ANDREW	ANNE FOX-HAYWARD	JAN MAYBERRY	GARY L SCHUTZ
SHEILA J BALLYEAT	RAY FRANZ	MICHAEL STAFFORD MCAFEE	CHIE F SEGAWA
ROBERT A BARKMAN	JANICE ELLIS GALLOWAY	ANDREA PAIGE MCCARDLE	ALEXANDER SEMYANOVSKY
KATHLEEN BELL	KIMBERLEY M GARRISON	BRIAN S MCCAW	THOMAS C SHAUKLAS
KATHERINE BINGENHEIMER	BARRY WELDON GAULT	JEANNIE LEE MCGUIRE	ORD SPENCER SHAW JR
TIMOTHY R BISHOP	JAMES J GERACE	DANIEL WILLIAM MCKENZIE	THEODORE P SHERWIN
JEFFREY A BITHER	KENNETH E GILES	MATTHEW G MEDLIN	ALLAN SHLEIFER
GERALD F BLANK	DAVID ROBERT GOODKNIGHT	CAROL A MEYERS	TIMOTHY J SIMKINS
LISA M BLEILE	W HOWARD GOODMAN	FRED N MICHAEL	GINA C SKIBO
KAY ARDITH READ BOEDER	WILLIAM ROBERT GOUGER	LORETTA R MILLER	LAURA LYNN SLATER
TIMOTHY L BRACKNEY	EDWARD C GREENWOOD	MILTON D MITTELSTEDT	BUDDY E SMITH
TRACE G BRINGHURST	ROBERT E GRIGGS	PHYLLIS MITTELSTEDT	LARRY A SMITH
PETER P BROWN	DELAINE HESS GRUBER	DANTE LEE MONTOYA	O HAROLD SMITH
ROBERT ARNOLD BULLARD	NATALIA GUDGEON	BRIAN JAY MOORE	CARLOS E SOLER
JAMES H BURKEY JR	PATRICIA B GUTHRIE	IRINA VLADIMIROVNA MOSKALENKO	TARA ANN SORENSEN
ROSALIE A BUTTERMORE	NANCY J HADLEY	PHILIP R MURRAY	ARLEN D STAMBACK
ROBERT G CAHILL	WILLIAM HAMILTON	STEVEN L NYBERG	LUCIA H STRASBURG
PETER T CANGANY JR	BRANDON D HANSEN	THOMAS SCOTT OLINGER	DAVID J STROTTMANN
HAROLD O CANYON	FRANCISCA HANSON	JOANNE C OLMSTED	GREGORY C SUE
JOHN D CARONARO	BETSY BROOKS HARPER	SUSAN DENISE OLSEN	DARREN J SZENDRE
JOHN W CEBULA	STEVALYN G HENDERSON	BRYANT R ORTT	MARIA R TAGLIAVENTO
ANN V CHRISTENSEN	DAVID H HEYER	ANTHONY CRAIG OTT	JEREMY TANGARO
KENNETH W COLE	LAURIE A HILLENBRAND	KELLY M PALIN	NGA K TRAN
PATRICK COLTON	MICHAEL W HOLLAND	GARY SAMUEL PEARCE	VLADIMIR TURIN
JOSEPH C COOKE JR	DONALD J HOUGARDY	ANTHONY C PECORA	EVELYN UPHAM
DENNIS K COOPER	FRANKLIN L HUNT	GARY N PENNINGTON	TERRI LEE URBUSH
ROBERT E COOPER	JENNIFER R HURLEY	DENNIS T PIXTON	MARGARET MARY VAN DYKE
MICHAEL R DEROCHIER	G OSMOND HYDE JR	GARY R POPE	PENNY VAN OURKERK
PAUL WILLIAM DOBSON	AMANDA RAE IVERSON	MICHAEL J QUACKENBUSH	NICHOLAS EDWARD VAN VLEET
PHILIP E DOTY	BARBARA H JENSEN	STACEY L QUINTANA	JOSIE V VANDERZANDEN
GARY R DOUGLASS	PETER C JENSEN	PAMELA RAFALOVICH	CULLY VAUGHAN
SHAWN ROBERT DOYLE	JAMES ALLEN JOHNSON	RICHARD N RANSDALL	BETTY E VEVEIROS
PHILLIP W DUCHEMIN	JEAN MARIE KAMPS	CHRISTOPHER REDHOUSE	AMANDA KATHERINE VISSER
DAVID L DUGAN	BRENT KAP	MATTHEW S REID	MARIA L VOSKRESENSKAIA
THOMAS J ECKERD	L LEE KEEVIL	NICK A RESURRECCION	RICK W WALDREN
JERRI L ECKMANN	RYAN WAYNE KELLY	M BURKE RICE	LISA JEAN WANLESS
JAMES I ELLIOTT	CHARLES J KENNEY	JULIE E RICHARDSON	MARK J WEINTRAUB
DELBERT R ELLIS	SEAN T KEYS	LEE J ROBINSON	JIMMY R WILLIS
RICHARD H ENGLAND	DONALD M KIESBUY	LESLIE R ROCHON	WESLEY A WILSON
ELIZABETH J ETTLING	JEFF KLEDIS	DENNIS ROSE	DEAN ALAN WOOLWORTH
JULIE L EVANS	WALTER E KLUKA	J NEWTON RUMBLE	NORMAN A WORKMAN
LESLIE R FAHEY	KURT L KOFFORD	ANNA RUVINSKAYA	WILLIAM T ZIER
LAURENCE L FELTZ	DIANE L KOST	ELENA SAFONOVA	