

Landon State Office Building  
900 SW Jackson Street  
Suite 556  
Topeka, Kansas 66612  
Main: 785-296-2162  
Fax: 785-291-3501  
email: ksboa@ks.gov

# TICKS & TIES

[www.ksboa.org](http://www.ksboa.org)

April 2017

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## Scheduled Board Meetings

- APRIL 28, 2017
- JUNE 16, 2017
- JULY 21, 2017
- AUGUST 25, 2017
- OCTOBER 27, 2017
- DECEMBER 8, 2017

Unless otherwise noted, the Board meetings are held at the Board office, Landon State Office Building, 900 SW Jackson, Ste. 556A, Topeka, KS.

## Board Members

- Denise Denning, CPA, Chair
- John Helms, CPA, Vice-Chair
- T. C. Anderson, Public Member
- Michael L. Marsh, CPA
- Kathryn J. Mitchell, CPA
- Meredith Richey, Public Member
- Rodney G. Van Norden, CPA

*Please direct all communications to Board members to the KSBOA office.*

**Notice of Change of Address/Employer Name/ Business Address:** Pursuant to K.A.R. 74-5-408, Certified Public Accountants are to notify the Board within 30 days of any change in home address, employer name, or business address. Also, please notify us of any change of email address.

Ticks & Ties is the official publication of the Kansas Board of Accountancy.

## FROM THE EXECUTIVE DIRECTOR

The first round of tax season has come to a close, and with that starts the next cycle of permit renewals. We have included information in this edition of Ticks & Ties to re-address the permit renewal/CPE audit requirements, and other information that we trust and hope will be beneficial to you. If there is a topic that you would like to see addressed, please let us know! As always, if you have any questions, please contact us at 785-296-2162, or by email at ksboa@ks.gov



*Susan Somers*  
Executive Director



## IMPORTANT INFORMATION ABOUT THE NEW CPE STANDARDS

You may have heard that the AICPA and NASBA have approved revisions to the CPE Standards that include the addition of new learning methods. Although NASBA and the AICPA have adopted the revisions to the Standards, it is important to note that the Kansas Board of Accountancy has not adopted these new revisions. In addition, it is important to note that the individual Boards of Accountancy must adopt them in order to be accepted in each jurisdiction, so before claiming CPE credit for licensure in other states, as well as Kansas, CPAS should check to see what is allowed for CPE credit.

## PERMIT RENEWAL/CPE AUDIT FAQs

Applications for permits slated for renewal in 2017 will be mailed to the permit holder by the Board on or around the first of June. Applicants may renew by paper or online; however, there are certain restrictions for online renewals. Those restrictions are included in the permit renewal instructions that accompany the application form or reflected online. Below are some FAQ's that cover the requirements for permit renewals:

- 1. What are the CPE requirements to renew my permit?** For those who are renewing an initial or reinstated permit, the number of pro-rated hours of CPE required for renewal are shown in the CPE Data Box on the permit renewal form. For all others, the requirement is 80 hours of CPE to be obtained within the renewal period. Regardless of the number of CPE hours required for renewal, 2 of those hours must be in ethics relating to the practice of certified public accountancy. Ethics courses are defined in K.A.R. 74-4-7(a)(2). CIRCULAR 230 DOES NOT QUALIFY FOR ETHICS IN KANSAS. IT MAY, HOWEVER, BE USED TOWARD THE OVERALL CPE REQUIREMENT. Further, a person may not claim in support of permit renewal, CPE hours that have not yet been completed, or for which they do not possess

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# PERMIT RENEWAL/CPE AUDIT FAQs (CONTINUED)

certificates of attendance/completion when submitting their renewal application. Remember that all CPE hours claimed must be in accounting, auditing, or related areas and comply in all respects with the regulations, including without limitation, K.A.R. 74-4-7, K.A.R. 74-4-8 and K.A.R. 74-4-9. CPE topics may include accounting, auditing, consulting services, specialized knowledge and applications, taxation, management of a practice, ethics or personal development.

**2. What happens if I do not obtain all of my required CPE during the renewal period, or I haven't taken an acceptable ethics course within the renewal period?** Failure to meet the CPE requirements for renewal during the renewal period may result in denial of your application for renewal, disciplinary action pursuant to K.S.A. 1-311, and/or a penalty of 8 additional hours of CPE, which if required, must be completed before the permit is renewed.

**3. How do I report my CPE hours?** In the CPE Data Box on the paper renewal form, or online, you will be asked to enter the number of CPE credits obtained during the renewal period. This is where you will indicate the number of CPE hours completed, to include the 2 hours of ethics. Do not include any carry forward hours in this total. If you obtained any of the CPE hours after the June 30 expiration date of your permit, you will indicate those hours on a separate line. Remember that you may not renew your permit until you have obtained all of your CPE hours, to include any penalty hours assessed pursuant to K.A.R. 74-4-7(f).

**4. What about carry forward hours—are they allowed?** Yes. Up to 20 hours of carry forward CPE hours may be credited for the next renewal period. Any carry forward hours from the previous renewal period will be reflected in the CPE Data Box on the permit renewal form.

**5. What is the CPE reporting period for my permit renewal?** July 1 of the renewal year to June 30 of the expiration year.

**6. Does Kansas have specific CPE requirements for accounting and attest?** No. However, all CPE must be in accounting, auditing, or related areas. CPE topics may include accounting, auditing, consulting services, specialized knowledge and applications, taxation, management of a practice, ethics or personal development. The only specific CPE course requirement is 2 hours of ethics.

**7. What are the requirements for self-study and/or webinar (group internet courses)?** These types of courses must meet one of the following three requirements: (1) sponsored through the AICPA; (2) sponsored through a state CPA Society; or (3) be

conducted by a program sponsor approved by NASBA for the specific type of delivery method at issue.

**8. Is there a limit on the number of self-study or webinar hours?** No.

**9. What about instructor/preparation hours? May they be claimed, and if so, how much?** Hours devoted to actual preparation time by an instructor, discussion leader, or speaker for formal programs shall be computed at a maximum of up to twice the number of CPE credits that a participant would be entitled to receive, in addition to the time for presentation, but only to the extent that such hours contribute to the professional competence of the applicant. Repeated presentations of the same course shall not be counted unless it is demonstrated that the program content involved was substantially changed and the change required significant additional study or research. Hours served as an instructor or discussion leader or speaker, to include preparation, are limited to 50% of the total number of hours of CPE required for permit renewal.

**10. What about personal development hours? May they be claimed, and if so, how much?** Hours from programs in personal development shall not exceed 30% of the total number of CPE hours required for permit renewal. Personal development courses are defined as courses that deal with self-management and self-improvement both inside and outside of the business environment, and shall be limited to courses on communication, leadership, character development, dealing effectively with others, interviewing, counseling, career planning, emotional growth and learning, and social interactions and relationships.

**11. What if I am chosen for audit of my CPE?** If chosen for audit of your CPE, you will be notified, either at the time you renew online or after your paper renewal application has been processed. You will have 30 days to provide the Board with proof of the CPE hours claimed (K.A.R. 74-4-9). You will be required to provide a completed CPE Report Form (which is available in pdf and excel format on the Board's webpage) as well as copies of certificates of attendance/completion for all CPE hours claimed. If claiming hours taken at a college for semester credit, a copy of an official transcript is required. For in-house courses claimed, a copy of the sign-in sheets reflecting the topic of the course, the presenter of the course, the length of time of the course, as well as an outline of the course is required, unless the firm issues an official certificate of attendance. Certificates of attendance must comply with K.A.R. 74-4-8.

If you have any questions concerning your permit renewal, please call the Board office at 785-296-2162.

# USE OF INDEPENDENT CONTRACTORS



The Board of Accountancy is seeing an increase in the use of independent contractors, otherwise known as third party service providers.

Rule 1.700.040 of the AICPA Code of Professional Conduct states, in part, that before disclosing confidential client information to a third-party service provider, CPAs should do one of the following:

1. Enter into a contractual agreement with the third-

party service provider to maintain the confidentiality of the information and provide reasonable assurance that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

2. Obtain specific consent from the client before disclosing confidential client information to the third-party service provider.

## BOARD ACTIONS

Below is a listing of disciplinary actions taken by the Board since August of 2016. Information concerning these and other actions previously taken by the Board may be found on the Board's website under the link "Board Meeting Dates, Agendas & Minutes", or by contacting the Board office at 785-296-2162.

### AUGUST 2016:

**KATHLEEN M. LUSK, CPA, CONSENT AGREEMENT AND FINAL ORDER:** Failure to register a fictitious firm name. Appearance before the Board; registration of fictitious name; payment of a fine and costs.

**RUDY GUNTHER MAKI CONSENT AGREEMENT AND FINAL ORDER:** Failure to maintain the requirements for renewal of his permit. Appearance before the Board; payment of a fine and costs; completion of CPE.

**RICHARD A. TOFTNESS, CPA AND RICHARD A. TOFTNESS, CPA, LLC, CONSENT AGREEMENT AND FINAL ORDER:** Conduct reflecting adversely on fitness to practice certified public accountancy. Appearance before the Board; payment of a fine and costs; application for firm registration granted.

**LIGHTHEART, SANDERS & ASSOCIATES CONSENT AGREEMENT AND FINAL ORDER:** Willful violation of a rule of professional conduct. Notification to the Board of acceptance of additional engagements to perform attest services which require pre-issuance review; pre-issuance review by a reviewer pre-approved by the Board of all attest services rendered to attest clients headquartered in Kansas; payment of costs.

**SEAN MICHAEL CAHOON FINAL ORDER:** Request for reinstatement of certificate and permit. Denial of application for reinstatement of certificate and permit.

**JOSEPH M. BAMBICK STIPULATION AND CONSENT ORDER:** Dishonesty, fraud or gross negligence in the practice of certified public accountancy; violation of the accountancy act; willful violation of a rule of professional conduct; performance of a

fraudulent act while holding a Kansas certificate; and engaging in conduct reflecting adversely on a person's fitness to practice certified public accountancy. Appearance before the Board; revocation of certificate and firm registration; payment of a fine and costs; notification of certain attest clients.

**DAVID A. HERL CONSENT AGREEMENT AND FINAL ORDER:** Willful violation of a rule of professional conduct and conduct reflecting adversely on his fitness to practice certified public accountancy; appearance before the Board; completion of the AICPA Comprehensive Ethics exam; payment of a fine and costs.

### OCTOBER 2016:

**HINRICHSZENK+PESAVENTO, LLC STIPULATION AND CONSENT ORDER:** Violation of the accountancy act. Appearance before the Board; payment of fine and costs; application for firm registration granted.

**ANDREW HINRICHS, CPA, STIPULATION AND CONSENT ORDER:** Violation of the accountancy act; willful violation of a rule of professional conduct; and conduct reflecting adversely on fitness to practice certified public accountancy. Appearance before the Board; payment of a fine and costs.

**JAMES L. ZENK, CPA STIPULATION AND CONSENT ORDER:** Violation of accountancy act. Appearance before the Board; payment of fine and costs.

**ALLEN H. JOY, CPA AND JOY & COMPANY CONSENT AGREEMENT AND FINAL ORDER:** Conduct reflecting adversely on fitness to practice certified public accountancy. Appearance before the Board; payment of a fine and costs; application for CPA firm registration granted.

**BECKY L. REGIER, CPA CONSENT AGREEMENT AND FINAL ORDER:** Failure to maintain compliance with the requirements for renewal of a permit. Appearance before the Board; payment of a fine and costs; completion of CPE.

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# BOARD ACTIONS

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**MARNI L. HOWARD PAGE, CPA AND HOWARD PAGE, LLC STIPULATION AND CONSENT ORDER:** Violation of the accountancy act; and willful violation of a rule of professional conduct as to the individual. Violation of the accountancy act as to the firm. Appearance before the Board; payment of a fine and costs; application for firm registration granted.

**IRENE MARIE BROONER, CPA SUMMARY ORDER REVOKING CERTIFICATE:** Willful violation of rule of professional conduct; conviction of a felony or crime an element of which is dishonesty or fraud; performance of a fraudulent act; and conduct reflecting adversely on her fitness to practice certified public accountancy. Revocation of certificate; and payment of fine and costs.

## DECEMBER 2016:

**JOSEPH V. ARNONE, CPA STIPULATION AND CONSENT ORDER:** Fraud, dishonesty or deceit in obtaining a permit; failure to comply with applicable federal or state requirements regarding the timely remittance of taxes collected on behalf of others; willful violation of a rule of professional conduct; and conduct reflecting adversely on fitness to practice certified public accountancy. Appearance before the Board; payment of a fine and costs; submission of compliance documentation and completion of the AICPA Comprehensive Ethics exam.

**FRANK PAUL SALERNO, CPA STIPULATION AND CONSENT ORDER:** Fraud, dishonesty or deceit in obtaining a permit; failure to comply with applicable federal or state requirements regarding the timely remittance of taxes collected on behalf of others; willful violation of a rule of professional conduct; and conduct reflecting adversely on fitness to practice certified public accountancy. Appearance before the Board; payment of a fine and costs; submission of compliance documentation and completion of the AICPA Comprehensive Ethics exam.

**ARNONE, SALERNO & COMPANY, P.A.:** Fraud, dishonesty or deceit in obtaining a firm registration; and willful violation of a rule of professional conduct. Payment of fine and costs; and submission of compliance documentation.

**JENNIFER LYNN CALLAHAN, CPA, CONSENT AGREEMENT AND FINAL ORDER:** Fraud, dishonesty or deceit in obtaining renewal of her permit to practice; failure to maintain compliance with the requirements for renewal of a permit; violation of the accountancy act; willful violation of a rule of professional conduct; and engaging in conduct reflecting adversely on her fitness to practice certified public accountancy. Appearance before the Board; payment of a fine and costs.

**DENISE MICHELLE ENGLAND, CPA CONSENT AGREEMENT AND FINAL ORDER:** Failure to maintain compliance with the requirements for renewal of a permit. Appearance before the Board; payment of a fine and costs; and completion of CPE.

**JEFFERY LEE MCDANIEL, CPA CONSENT AGREEMENT AND FINAL ORDER:** Failure to maintain compliance with the requirements for renewal of a permit. Appearance before the Board; payment of a fine and costs; and completion of CPE.

**ANTHONY R. MOELLER, CPA & INTEGRITY ADVISORY, LLC CONSENT AGREEMENT AND FINAL ORDER:** Engaging in the practice of certified public accountancy without a valid firm registration. Appearance before the Board; payment of a fine and costs; and application for firm registration granted.

**JULIE MAE RUMFORD, CPA CONSENT AGREEMENT AND FINAL ORDER:** Violation of the accountancy act. Appearance before the Board; payment of a fine and costs.

**SCOTT PATRICK SAMWAY, CPA CONSENT AGREEMENT AND FINAL ORDER:** Failure to maintain compliance with the requirements for renewal of a permit. Appearance before the Board; payment of a fine and costs; and completion of CPE.

**JOHN J. SAMYN, CPA STIPULATION AND CONSENT ORDER:** Disciplinary action by PCAOB; willful violation of a rule of professional conduct; and conduct reflecting adversely on fitness to practice as a certified public accountant. Appearance before the Board; payment of a fine and costs.

**TROY D. RENKEMEYER FINAL ORDER:** Request for reinstatement of permit. Request for reinstatement of permit denied.

**DOUGLAS E. STRUBBE FINAL ORDER:** Costs assessed pursuant to K.S.A. 1-206 relative to issuance of Final Order issued on August 29, 2016.



## HELPFUL LINKS

**CONTACT OTHER BOARDS OF ACCOUNTANCY:**

[http://www.ksboa.org/helpful\\_links.htm](http://www.ksboa.org/helpful_links.htm)

**CPA MOBILITY.ORG:** <https://www.cpamobility.org/>

**CPA VERIFY:** <http://www.cpaverify.org/>