



Alabama State Board of Public Accountancy

RULE CHANGES OF INTEREST

30-X-7-.16 Reporting Convictions, Judgements, and Administrative Proceeding

Please review the important rule change that went into effect on January 1, 2017, titled 30-X-7-.16 Reporting Convictions, Judgements, and Administrative Proceeding - <http://www.alabamaadministrativecode.state.al.us/docs/acc/30-X-7.pdf>

Short Description of the Rule – the new rule requires licensees to notify the Board within 30 days of various actions taken by specified oversight bodies and legal authorities. The following list is an overview and is not all inclusive:

1. Peer review issues identified by the Public Company Accounting Oversight Board (PCAOB);
2. Receipt of a second consecutive deficient peer review;
3. Imposition upon a licensee of any type by the:
 - a. Securities and Exchange Commission (SEC),
 - b. Public Company Accounting Oversight Board (PCAOB),
 - c. Internal Revenue Service (IRS),
 - d. Any other state board of accountancy (other than failure to pay a license fee or failure to meet CPE requirements of another state board of accountancy),
 - e. Any federal or state agency regarding the licensee's conduct while rendering professional services,
 - f. Any foreign authority or credentialing body that regulates the practice of public accounting;
4. Notice of disciplinary charges filed by the above (3a-f) and any federal or state taxing, insurance or securities authority;
5. Any judgement, award or settlement of a civil action or arbitration as specified; and
6. Criminal charges, deferred prosecution of conviction or plea of no contest as specified.



STATUTE CHANGES OF INTEREST

On February 21, 2018 Act No. 2018-106 was signed by Governor Kay Ivey and will be effective May 1, 2018. A short description of the changes that affect licensees are as follows:

1. Defines a new financial engagement standard named Preparation Engagements and updates the definition of Compilation Engagements.
2. Removes the requirement for one board member to be a PA and replaces this PA requirement with a CPA.
3. Mandates that the Executive Director must be a CPA.
4. Defines Retired Status – a CPA or PA who is 55 and not practicing public accountancy who elects to be placed on the retired roll. A retired CPA or PA is exempt from CPE and filing an annual registration, and the licensee must place “retired” adjacent to their credential.
5. Accelerates late filing actions from 1 year to 6 months.



Top 5 Violations as Noted by the Board

1

Practicing public accountancy with a license status of inactive or retired.

The practice of public accountancy includes the completion of audits, reviews and compilations as well as tax return preparation and management advisory services.

2

Licenses practicing public accountancy without a firm permit.

A licensee, if practicing public accountancy, must practice under a firm with a firm permit even if the licensee operates as a sole practitioner.

3

Licenses completing a financial statement based on requirements of the Alabama State Licensing Board for General Contractors (ASLBGC) and not enrolling in the Peer Review program.

The ASLBGC only accepts the forms completed from an Audit, Review or Compilation. These reports are all subject to Peer Review.

4

CPAs that are located in Alabama practicing public accountancy or holding out as a CPA without obtaining a reciprocal Alabama certificate within 24 months of arriving in Alabama.

5

Inability to document reported CPE hours in a CPE audit.

New CPA Exam User Experience

As of April 1, 2018, the AICPA offers CPA candidates an enhanced testing experience with the launch of its new exam software at all Prometric test centers. The software modernizes the exam's format, functionality and design, giving you access to a high-definition display and new and improved tools. One of the biggest changes coming to the exam is the introduction of Microsoft Excel® as a tool. While candidates will not be tested on their ability to use the program, it is available for use during each exam section. Other new features include a dedicated workspace to more easily toggle and view exhibits, a highlight function to help you remember key elements in an exhibit and seamless cut, copy and paste. To learn more about the exam software and its features, you may view [the CPA Exam Tutorial video](#).



The AICPA has updated its [tutorial topics](#) to guide candidates through the coming changes. Exam candidates are encouraged to practice with the [sample tests](#) as the Exam will appear in an actual test center.

With the launch of the new exam software, the AICPA must ensure that the improvements do not impact the fairness and reliability of the exam. This will require minor score holds for the Q2, Q3 and Q4 test windows where scores will be released only once after the close of each window. The holds allow the AICPA to review test question performance with the new software. For specific release dates, view the [Score Release Timeline](#) and review the [Exam Scoring FAQs](#).

UPCOMING BOARD MEETING DATES

May 11, 2018, 10:00am,
The RSA Plaza
Conference Center, 5th
Floor, 770 Washington
Avenue, Montgomery, AL

July 27, 2018, 10:00am,
Board Offices, 770
Washington Avenue,
Suite 226, Montgomery,
AL

September 18, 2018,
10:00am, Auburn
University, Raymond
J. Harbert College
of Business, 405 W.
Magnolia Avenue,
Auburn, AL



Disciplinary Actions

The facts of each case vary greatly and the Board's ruling is based on the merit of each case.

May 2017

Respondent: W. Thomas King

CPA License: 1064

Violation: Rules of Professional Conduct, Professional Competence, Due Professional Care, Sufficient Relevant Data and Conduct Discreditable to the Accounting Profession

Action: Censure and an Administrative Fine of \$5,000

Respondent: Steven T. Downey

CPA License: 3038-R

Violation: Rules of Professional Conduct and a Violation of the Statute of Revocation of Rights to Practice before Federal Agencies

Action: Revocation and an Administrative Fine of \$500

September 2017

Respondent: Justin Heath McCleskey

CPA License: 7922

Violation: Rules of Professional Conduct, Due Professional Care, Planning and Supervision, and Sufficient Relevant Data

Action: Revocation and an Administrative Fine of \$2,000

Respondent: James Ben Bowen

CPA License: 4460

Violation: Practicing public accountancy with an inactive license, operating a firm with an inactive license and holding out as a CPA without placing "inactive" adjacent to credential

Action: Revocation and an Administrative Fine of \$9,000

November 2017

Respondent: Jimmy C. Kubina

CPA License: 1979

Violation: Conduct Discreditable to the Accounting Profession

Action: Administrative Fine of \$1,000

Respondent: Kara Wren Myers

CPA License: 8426

Violation: Violation of Statute - plead guilty to the felony offense of Theft First Degree

Action: Revocation and an Administrative Fine of \$5,000

Respondent: Steven R. Wakefield

CPA License: 5126

Violation: Violation of Statute - plead guilty to the felony offense of Bank Fraud

Action: Revocation and an Administrative Fine of \$10,000

Respondent: Muhammad Ibn Abdullah

CPA License: 9769

Violation: Failure to comply with CPE audit

Action: Censure and an Administrative Fine of \$1,500

Respondent: Katherine Frazer Bozeman

CPA License: 5873-R

Violation: Failure to comply with CPE audit

Action: Censure and an Administrative Fine of \$1,500

January 2018

Respondent: Jesse S. Ellis

CPA License: 3648

Violation: Conduct in General and the felony offenses of Conspiracy to Commit Bank Bribery and Wire Fraud and Money Laundering Conspiracy

Action: Revocation and an Administrative Fine of \$5,000

Respondent: Michael V. Noyes

CPA License: 2148

Violation: Failure to remain enrolled in the peer review program and misrepresenting the firm engagements. Violations of the Rules of Conduct in General, Due Professional Care, Auditing Standards and Accounting Principles

Action: Revocation and an Administrative Fine of \$15,000

Respondent: Donald E. Turnbow

CPA License: 6823

Violation: Conduct Discreditable, failure to furnish records for client and failure to respond to Board inquiry

Action: Revocation and order of specific performance or an Administrative Fine of \$6,000

Respondent: Richard A. Henderson

CPA License: 3539

Violation: Conduct in General and the felony offenses of Conspiracy to Commit Bank Bribery and Wire Fraud and Money Laundering Conspiracy

Action: Revocation and an Administrative Fine of \$5,000

Respondent: Kenneth E. Wilder

PA License: 383

Violation: Rules of Professional Conduct on Obtaining Sufficient Relevant Data, Due Professional Care and failure to enroll in the peer review program

Action: Revocation and an Administrative Fine of \$6,000

Respondent: Charles Russell Kirkpatrick

CPA License: 8601-R

Violation: Failure to comply with CPE audit

Action: Revocation and an Administrative Fine of \$6,000

January 2018 Failure to File for Annual Permit

Action: Revocation and an Administrative Fine of \$2,000

License	Name
7401	Reena J. Allen
4724	Charles A. Bryant
11931-R	Andrew Leach Cash
6524	Jimmy Wayne Dismukes
6300	Sheila Williams Hester
12393-R	Tae Soo Jung
6306-R	Nicholas Lamar MacDonald
10669	Patrick Jay Myers
4170-R	Julia Pike Pitre
12664-R	Emily Pickett Schroll
11024-R	Mary Elizabeth Terrell



STATE BOARD OF ACCOUNTANCY MEMBERS



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Birmingham



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Fairhope



Michael Terry Comer, PA
Secretary
Jasper



Steven M. Barranco, CPA
Montgomery



Dr. Steve Grice, CPA
Troy



Delbert Madison
Public Member
Montgomery

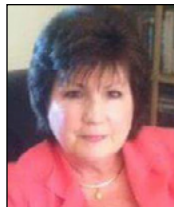


Wilhelmus "Wim" J. Schaffers, CPA
Birmingham

STATE BOARD OF ACCOUNTANCY STAFF



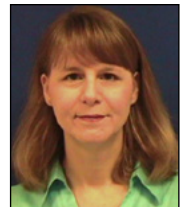
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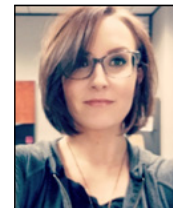
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