

**INDIANA BOARD OF ACCOUNTANCY**

Meeting Minutes

March 18, 2022, at 9:00 a.m.

Indiana Professional Licensing Agency

402 W. Washington Street, W064

Indianapolis, IN 46204

**COMMITTEE MEETING**

**9:00 a.m.**

**CALL TO ORDER AND ESTABLISHMENT OF A QUORUM**

**10:00 a.m.**

Michael Barton of the Indiana Board of Accountancy, called the meeting to order at 10:00 a.m. and declared a quorum in accordance with IC § 25-2.1-2-8.

**Board Members Present:**

Michael Barton, Board Chair

Michelle Skeen, CPA, Vice Chair

Dale Gettelfinger, CPA

**State Officials Present:**

Evan Bartel, Deputy Director, General Counsel

Toby Snell, Board Director

Rachelle Cannon-Mason, Compliance Officer

Ned Hannah, Advisory Counsel

**ADOPTION OF THE AGENDA**

A motion was made by Member Skeen and seconded by Member Gettelfinger to adopt the March 18, 2022, amended agenda.

3-0-0, Motion carried.

Voting in favor: Michelle Skeen, Michael Barton, and Dale Gettelfinger

**ADOPTION OF THE JANUARY 14, 2022, MEETING MINUTES**

A motion was made by Member Skeen and seconded by Member Gettelfinger to adopt the January 14, 2022, meeting minutes.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Michael Barton, and Dale Gettelfinger

**ADOPTION OF THE FEBRUARY 18, 2022, MEETING MINUTES**

A motion was made by Member Skeen and seconded by Member Gettelfinger to adopt the February 18, 2022, meeting minutes.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Michael Barton, and Dale Gettelfinger

**PEER REVIEW OVERSIGHT COMMITTEE REPORT**

Alan Parks, Chair of the Peer Review Oversight Committee, appeared before the Board to give a report. He stated he has been involved with PROC since its inception which has been around 10 years. He stated the focus has primarily been reviewing failed peer

review reports. He said the process evolved over years from being at the Indiana CPA Society level then transitioned to Illinois which does RABs for 6-7 States. Illinois reports back to Alan with PROC quarterly. The Committee then reviews them quarterly and they can be system or engagement reviews then they determine if failed reports go to the AG office for further review. The primary focus has been failed reviews over the years. They want to evolve the Committee to present to the Board regarding the reports and its statistics and job description. Member Barton said it was nice to hear from PROC on a regular basis since the Board appoints them. He has if there were any issues to talk about today? Alan said the process had changed and he communicated with Illinois and got missing reports and they met immediately for those. They want to identify what information should be on the reports that are failed and the total reports in general. Other states do reports, and some states have a 40-page report. Member Gettelfinger said he appreciated Alan for what he does and what the committee members do. They reviewed the statute that governs PROC. Point 3 7a3 says to provide the Board the names of firms undergone and accepted reviews. Alan says that's why we are here today to work towards being compliant with the statute. He stated so they are trying to develop the job description and requirements. Board member Gettelfinger said it was appropriate to set a timeline when the Board would have the report. Alan said it was appropriate it is just an accumulation of data and making the process/system to gather it. Member Gettelfinger asked what happens to the list of firms successfully completed. Member Barton said nothing we have never received it. Member Gettelfinger asked if it was a good thing if they publish the list of firms that have satisfactorily completed peer review. He asked what is done with the reports and how is it published and would it be in the minutes. Member Gettelfinger asked if it is an attachment in the minutes then does it go onto the website and asked what more the Board does. Member Barton said you can see them on the AICPA site. Member Skeen asked when you look up their license can you see if their peer review was satisfied. Member Gettelfinger asked if there was identification of firms satisfying peer review requirements. He said having the failed ones helps remedy situations, but statute shows publish satisfied firm reports. Member Barton asked what the Board wants from PROC and asked Alan if there was anything we want to see in the reports. Member Gettelfinger said he is not interested in a list of failed reports from PROC. Their responsibility is to transfer that report to the AG's office so any kind of disclosure of failed reports is not consistent with due process. He would like to start with what statute says. Alan said so in summarizing a chart showing system versus engagement failed reports (quality control or reporting types) to show statistics. Member Barton said he finds that useful. Member Gettelfinger doesn't he says it is a curiosity but what do we do with that information. Member Barton said so public knows trends in failed reports. Member Gettelfinger said 7a4 indicates procedures to ensure confidentiality. His experience is peer reviewers are not always right so information could be damaging to a firm going through the process. He said it should address things in statute and the job summary. PROC should come back at an appropriate time with here is our thoughts and where we need help. Member Barton asked about the Illinois dynamic. Alan said there needed to be more oversight during the transition. Illinois CPA society calls in during PROC meeting so there is now dialogue and understanding of their system. He said on the 15<sup>th</sup> of each month he looks for reports. He said PROC may want to periodically sit in on a RAB meeting to hear what is going on. Member Gettelfinger

stated there is a case before PLA where it was notified of a failed peer review and files a complaint with AG office which investigates complaint and goes through the process and then a complaint was filed. He said there was a Motion to Dismiss because the AG office feels the firm has made appropriate corrections/ remedial actions. Alan said the procedural, logical, and technical aspects not sure if that is in skill set of AG office. Member Gettelfinger stated AG could consult with PROC. Alan said he is hesitant since involvement is not the entire work papers but the 2–3-page report presented to them, and they are trying to decide from that. Member Gettelfinger troubled by AG office making decision if CPA firm appropriately remediated. Member Barton asked timeline for standing report from PROC. Member Gettelfinger said the report should be at least annually per Statute. They can communicate when to come back on the agenda to discuss. Member Barton said they should come back in November. Alan said that is a good time period to make the 2021 report.

### **REPORT FROM OFFICE OF THE ATTORNEY GENERAL**

Kiely Keesler, Assistant Attorney General Section Chief, Office of the Attorney General provided the Board with a report per IC 25-1-7-13.

### **ADMINISTRATIVE HEARINGS Court Reporter: Margie Addington**

**10:00 a.m.**

#### **In the Matter of the License of: ES Partnership, LLP**

Cause No.: 2021 IBA 0019

Re: Motion to Dismiss

Deputy Attorney General Aaron Ridlen appeared for the Motion to Dismiss matter. He stated he failed a review concerning an audit. He spoke with Charles Johnson, CPA, regarding advertising audits. Mr. Johnson told him he is no longer doing audits and removed them from his website. He also submitted a letter to the DAG stating that he had passed the next audit. Member Gettelfinger asked if the AG had the ability to make a conclusion. DAG Ridlen stated he is not a CPA but that his office accepts, investigates, and determines conclusions for these matters. Member Gettelfinger asked what his rationale was for the matter to be dismissed. DAG Ridlen stated the motion's basis was a failed peer review based on an audit. He contacted the firm, and they were cooperative and filed a lengthy answer. They had complied with removing the advertisement on audits and provided a passed peer review. Member Gettelfinger asked what the peer review was on though if they are not doing audits. DAG Ridlen said the passed report played a role into his decision. Member Gettelfinger stated he was not satisfied with the procedure. DAG Ridlen asked what the Board would like to see. Member Gettelfinger said his opinion and PROC's opinion is that the AG's office does not have the necessary skills to come to a decision to dismiss. Member Barton stated the new peer review is an engagement, so it shows they are not doing audits. Member Gettelfinger wants the process improved. Member Skeen said if they're still doing comps and reviews, she finds it strange they threw their hands up and said they were done. Member Barton said audit has gotten hard with the risk. Member Gettelfinger said they should have

thrown their hands up before instead of after. Member Barton and Member Skeen said firms think they are right then finding out later. Member Skeen said firms do not know what they do not know. Member Gettelfinger said there are a lot of professional standards before doing an engagement so throw your hands up before. Member Skeen said that is hard to do. Member Skeen said knowing they passed their next review she is fine with granting the dismissal.

A motion was made by Member Skeen and seconded by Member Barton to grant the Motion to Dismiss.

2-1-0, Motion carried.

Voting in favor: Michelle Skeen and Michael Barton

Voting against: Dale Gettelfinger

**In the Matter of the License of: Crowe LLP**

**CONTINUED**

Cause No.: 2021 IBA 0020

Re: Disciplinary Hearing

This matter was continued.

**In the Matter of the License of: Eric Studd**

Cause No.: 2021 IBA 0023

Re: Notice of Proposed Dismissal

A motion was made by Member Gettelfinger and seconded by Member Skeen to dismiss the matter.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

**In the Matter of the License of: Jeffrey Mullen**

Cause No.: 2019 IBA 0096

Re: Petition to Withdraw Probation

Mr. Mullen appeared for his probation withdrawal hearing. DAG Aaron Ridlen appeared for the State. Mr. Mullen's opening statement was that he satisfied all the conditions of his probation. His peer review was done, CPE done, and civil penalty paid. DAG Ridlen said that the Respondent was ordered on 10/15/2020 so he will keep an open mind as he does not know if he will be objecting or not until evidence is presented. Mr. Mullen said he paid the fine and enrolled in the peer review program for June 2023. Witness Rachelle Cannon-Mason, Compliance Officer, stated she has no concerns as the civil penalty was paid and he has submitted his quarterly reports DAG Ridlen asked if he limited his practice. Mr. Mullen said yes. Member Gettelfinger said he had 3 particular clients and 2 were labor unions so was the audit pursuant to the Department of Labor. Mr. Mullen said no it was international brotherhood requirements. Mr. Gettelfinger asked him to explain the nature of the three audits. Mr. Mullen stated 2 were electrical unions and one was a construction company. There was a bonding company involved. Mr. Mullen stated

he had no further evidence. The State rests. Mr. Mullen's closing statement was that he appreciates the Board's time and hope his license be removed from probation so he can continue work as a CPA. DAG Ridlen said with the evidence received Mr. Mullen has met the obligations under the Order and the Compliance Officer has testified that the civil penalty was paid so he has no objection to the motion.

A motion was made by Member Gettelfinger and seconded by Member Skeen to withdraw the probation on the license.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

**In the Matter of the License of: Tyler Lasiter**

Cause No.: 2021 IBA 0005

Re: Petition to Withdraw Probation

Mr. Lasiter appeared for his probation hearing. Member Barton recused himself. Mr. Lasiter had two criminal cases for 2019 and 2021 that were OWIs. He stated he met all the requirements to complete the cases in full. He is asking the Board to withdraw the probation from his license. Member Gettelfinger stated Mr. Lasiter's presented evidence satisfied Johnson County court's probation. He said in Marion County court Lasiter was sentenced June 11, 2021, with a suspended sentence still running until around June 5/6, 2022. Ned Hannah asked why Marion County shows completed. Mr. Lasiter said he had not signed a plea agreement back in May 2021. Marion County met with him and said to pay the fines within the next two weeks and the case would be dismissed with a suspended sentence and no ramifications and no probation. Member Gettelfinger asked if he had a valid Indiana Driver's license and may the Board see it. Mr. Lasiter showed the license was valid. Member Gettelfinger said the valid license shows he is okay with Marion County. Mr. Lasiter said his closing statement was for the Board to remove the probation on his status.

A motion was made by Member Gettelfinger and seconded by Member Skeen to withdraw the probation on the license.

2-0-1, Motion carried.

Voting in favor: Michelle Skeen and Dale Gettelfinger

Recused: Michael Barton

**BREAK 11:06 a.m.-11:14am**

**In the Matter of the License of: Garry Wells**

Cause No.: 2022 IBA 0012

Re: Petition to Review

Mr. Wells appeared for his petition hearing. Mr. Wells' opening statement was the reason did not file the renewal on time. He stated he had the hours completed with 134 hours out of the 120 required but did not file on time. He stated it was a tragic time in his life. His wife passed away at the end of 2020. In 2021 he was in a lot of

counseling and had two shoulder surgeries. In November 2021 he called, and he said he should have filed in June. Member Barton stated he was sorry to hear about his wife and what would he like to see happen. Mr. Wells asked for the Board to remove the \$270 civil penalty and makeup CPE hours. He filed a hardship waiver with his appeal. He said he takes his license very seriously. Member Gettelfinger asked him if he knew where he was short in the regime. Mr. Wells said he fell short in A/A specifically. Had he filed on time he would have met the requirements but since he did not file on time, he didn't meet the reinstatement requirements. Member Barton asked Rachelle Cannon-Mason, Compliance Officer, if he was still short. The Compliance Officer stated yes. Member Gettelfinger asked if it would be appropriate to consider the hardship waiver after the fact. Ned Hannah said they have had licensees ask before and after and statutory language indicates it can be granted after the fact. Mr. Wells closing statement was that in his email to PLA on 11/16/2021 he said he needed to do a hardship waiver and did not do it in time. Member Gettelfinger asked how he was doing on current CPE requirements. Mr. Wells said right now he has 16/40 CPE hours planned for this year.

Accepted hardship waiver Skeen/ Gettelfinger 3-0-0

A motion was made by Member Skeen and seconded by Member Gettelfinger to accept the hardship waiver.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

**In the Matter of the License of: Louis Sacks**

Cause No.: 2022 IBA 0013

Re: Petition to Review

Mr. Sacks did not appear for his petition hearing.

A motion was made by Member Gettelfinger and seconded by Member Skeen to issue a Notice of Proposed Dismissal.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

**In the Matter of the License of: Jayanagendra Rayapureddi**

Cause No.: 2021 IBA 0034

Re: Petition to Review

Mr. Rayapureddi appeared for his petition hearing. Mr. Rayapureddi's opening statement was he received the Notice of Noncompliance that he had made a false and misleading statement for not having at least 20 hours. He stated that the certificates for Deloitte and KPMG he cannot find. He stated he would like the Board to cancel the civil penalty and recognize that he did not submit any false information. Rachelle Cannon-Mason, Compliance Officer, stated that she found an additional 2.5 hours for 2020. Mr. Rayapureddi does not have documents for 8 hours from Eli and the ones from Deloitte and KPMG he said some were sign-up

sheets. Member Gettelfinger confirmed the facts with the Compliance Officer. Member Skeen and Member Barton asked if there was no way to reach out to get those certificates. Mr. Rayapureddi stated he doesn't work there anymore, and the sign-up sheets are only accessed internally. Member Skeen said that he could reach out to HR for access to the CPE records. Mr. Rayapureddi said he could reach out to Eli. He said KPMG and Deloitte were web cast courses and he had internet issues. Member Skeen said reach out to them they should have record. Mr. Rayapureddi said he can ask them. He said Eli and Company for Ethics he had to complete 1 hour training every year to get paid. Eli told them their courses should count as red book training. Member Gettelfinger said he was 24 hours short in total, short 4 hours in ethics, and 6 hours in 2018. Mr. Rayapureddi sent in an explanation for ethics in 2018 Red book training. Mr. Rayapureddi's closing statement was that he is in good standing for 2021 and 2022 CPE. He said there was confusion on ethics, so he completed additional training. He said he completed an additional 4 ethics hours recently. He said he can reach out to Eli. He said he is not sure on Deloitte and KPMG but he can try. He asks the Board to consider that he sits on the CFA Board and is in good standing thus requests the Board to dismiss the civil penalty.

A motion was made by Member Skeen and seconded by Member Gettelfinger to continue the matter until the May 2022 meeting.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

### **In the Matter of the License of: David Roberts**

Cause No.: 2022 IBA 0014

Re: Petition to Review

Mr. Roberts failed to appear for his petition hearing.

A motion was made by Member Gettelfinger and seconded by Member Skeen to issue a Notice of Proposed Dismissal.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

**BREAK 11:52 a.m.- 12:05 p.m.**

## **APPLICATION REVIEW**

### **Reinstatements**

A motion was made by Member Gettelfinger and seconded by Member Skeen to reinstate numbers 1-7 and issue a Notice of Noncompliance.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

1. Patricia Oppor: Noncompliant
2. Jean Fager: Noncompliant
3. Tina Moe: Noncompliant
4. Sha Liu: Noncompliant
5. Christine Thielen: Noncompliant
6. Sandra McCully: Noncompliant
7. Kristin Drake: Noncompliant

#### **Transfer of Grades**

A motion was made by Member Skeen and seconded by Member Gettelfinger to approve the transfer of grades application.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

1. Joshua Zumdahl: Approved

#### **CPE HARDSHIP WAIVERS AND EXAM EXTENSION REQUESTS**

Ying Qian: Exam Extension Request

A motion was made by Member Skeen and seconded by Member Gettelfinger to grant the exam extension request through June 30, 2022.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

Catherine Wheeldon: Exam Extension Request

A motion was made by Member Skeen and seconded by Member Gettelfinger to grant the exam extension request through June 30, 2022.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

#### **IMMEDIATE SUSPENSIONS FROM NOTICES OF NONCOMPLIANCE**

Douglas Neumeister: Reinstatement CPE

A motion was made by Member Gettelfinger and seconded by Member Skeen to issue a Notice of Immediate Suspension.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

#### **DISCUSSION ITEMS NO VOTE REQUIRED**

Investigative Fund Statement

Member Gettelfinger said for peer review they want to access funds and how do they do that and what uses can they be put to. Evan Bartel said the funds are available for administration purposes which gives a lot of freedom. The Board needs to tell PLA what they want to access. Member Gettelfinger said for example one there are volunteers that travel from all over Indiana to audit CPE records



would it be possible for those people to be reimbursed for travel expenses/ out of pocket expenses. Example two obtaining a professional service to help PROC with resources. He said what can the Board do to enhance and encourage volunteers and how do they help PROC with resources. Evan says he believes those are authorized uses. They would need an estimate of the cost. The fund has a lot in it. Over the course of a three-year cycle getting about \$74K each year. Over \$600k in the fund right now. If they want to keep the fund where it's at without spending it down the estimate is \$74k. It can reimburse for mileage. Board would submit invoices and determine appropriate use of funds. Evan has to make sure there is enough funds is the only concern. Member Barton asked if the travel for conferences is eligible for reimbursement. Evan said yes. Evan said the controller asks for feasibility. IDOA is used for travel. Toby said submit to PLA first then goes to IDOA. There are separate funds for Board Member travel. Member Gettelfinger said due to PROC's reaction he hereby authorizes PROC \$25k and a proposal in sixty days how to use funds. Evan said it is an authorized use of funds. Member Gettelfinger said is it appropriate to ask for a plan. Evan said yes. Member Gettelfinger said that PROC when it comes back, and they could retain Indiana CPA Society for technical services and contract with them for secretarial/ clerical services. Evan said it could happen he would have to run it through the controller. Member Gettelfinger said what does the Board want to use them for and are there confidentiality issues. He said they could retain the services of an auditing/ accounting professor experienced with current issues in peer review possibly. He asked where does PROC go to generate these reports. Information to PROC promptly then Board is prepared to provide them financial resources upon documentation of plan that satisfies the different requirements. Member Barton said sounds like this is something they have the authority to use the fund for. Member Gettelfinger asked Member Barton if he was okay with PROC having resources. He said he will have Toby or Rachelle reach out to PROC to see what they need. Member Gettelfinger said they could hire expert help on peer review issues and if the Indiana CPA society is the appropriate vehicle for such services. Member Barton said they will ask PROC where they need help administratively to help the Board gauge a financial budget. Member Gettelfinger said that is a good place to start. Member Gettelfinger said they had cut back the percentage of CPE audits to see if it would reduce the error rate. The data suggests the error rate is the same. He said with more willing volunteers the higher audit percentage rate the Board can do to enforce the CPE requirements. Member Barton said they could outsource to NASBA. Member Gettelfinger said that is sending records as you go not after the fact. He said the main thing is PROC and to hear what they need. Member Barton said staff should reach out to Alan to determine a budget for PROC now they have financial resources to see what the Board can do to make their job easier. Member Barton said he would like future meetings to be at different colleges. Toby said the Board could also host a meeting in the auditorium and invite students.

## Compliance Officer Report

Rachelle Cannon-Mason, Compliance Officer, gave her report to the Board. The audit ALJ hearings were 23 in total. The ALJ Recommended Orders and any petition hearings are scheduled for the Board's May meeting. The six boxes of audit Compliant files have been entirely scanned and processed.

## Board Director Report

Toby Snell, Board Director, stated the Notice of Intent was filed Monday. Wednesday it would be posted. The Board must wait 28 days. The intended date LSA received to run an ad in Indy Star is for 21 days. Then there will be a public hearing. The Board could do it may be the first or second week of May. Board wants it set for same day as May Board meeting. Member Gettelfinger asked if there was a specific time and time limit. Toby said yes and the Board can set both. Member Barton would rather do it beforehand. Toby said they cannot allocate a time limit so it depends on how many people attend to speak and the Board can only limit the length of speaking. Ned said they would close the rule meeting then start the regular meeting. Member Barton suggested the rule hearing be at 9:30am on May 20<sup>th</sup>.

## **DISCUSSION ITEMS THAT NEED TO BE VOTED ON**

### PROC Ethics Course

A motion was made by Member Skeen and seconded by Member Gettelfinger that PROC member shall take the same virtual ethics course as Board Members.

3-0, Motion carried.

Voting in favor: Michelle Skeen, Dale Gettelfinger, and Michael Barton

## **ADJOURNMENT**

There being no further business, and having completed its duties, the meeting of the Indiana Board of Accountancy adjourned at 12:48 p.m.



Mr. Michael Barton, CPA

5/20/2022

Date