

# Accountancy **News**

June 2003

## **Introducing.....**

Governor John Kitzhaber appointed Jens Andersen to the Board of Accountancy in November 2002 for a three year term of office beginning January 1, 2003. Mr. Andersen lives in Eugene, Oregon and is a shareholder with JONES & ROTH PC.

Governor John Kitzhaber appointed Kent Bailey to the Board of Accountancy in September 2002 for a three year term of office beginning September 9, 2002. Mr. Bailey lives in Baker City, Oregon and is a shareholder with GUYER LINDLEY BAILEY & MARTIN CPAS PC.

## **CPE Controls and Reporting**

As a requirement of renewal for an active CPA or PA permit, licensees must report completion of 80 hours of qualifying CPE programs. Upon request by the Board, written documentation describing how each CPE course pertains to the licensee's practice and how the course contributes to the licensee's professional competence as a CPA or PA may also be required. All programs, publications and activities submitted for CPE credit must contribute to the licensee's professional competence in public accounting and be relevant to the licensee's practice under OAR 801-040-0030.

Published articles that include basic information that is appropriate for the general public will not be accepted for CPE credit. The same is true if the information included in the published article is readily available from a variety of information sources. The information in the article must indicate that the research necessary to prepare the article was sufficiently comprehensive to meet the standard of contributing directly to the professional competence of the licensee as required by ORS 673.165.

### **Website:**

**The Board updates the website on a regular bases to keep licensees advised of Board activities. For information on topics such as the computer-based CPA exam, proposed rules, calendar of events, Independence Task Force reports, please visit the tab marked "Keeping Current" at [www.boa.state.or.us](http://www.boa.state.or.us) .**

## **Examination:**

The Uniform CPA Exam was administered on May 7-8, 2003 in Salem Oregon. Approximately 350 candidates were present during the two day testing. Results for the May exam will be released on August 4, 2003.

The traditional paper and pencil CPA exam that is administered at the Oregon State Fair Grounds will be replaced by a computer-based in April 2004. November 2003 will be the last opportunity to take the paper and pencil exam.

Administrative rules to address the transition from the traditional exam to a computer exam are being developed and will be posted on the website in July. The Board website has links to obtain up-to-date information about the computer-based exam.

## **Reciprocity vs. Substantial Equivalency**

The Board of Accountancy issues CPA permits to qualifying applicants under provisions of reciprocity (OAR 801-010-0080) and also grants authority to practice in Oregon to qualifying applicants under the provisions of substantial equivalency (OAR 801-010-0080). There are separate applications for reciprocity and substantial equivalency. Applications may be downloaded from the Board website.

Authority to practice in Oregon under Substantial Equivalency is limited to individuals whose principal place of business is not in this state and who have an active license in good standing as a certified public accountant issued by another jurisdiction that meets the substantial equivalency standards. There are no restrictions on the type of services that may be performed. The following states do not meet substantial equivalency standards:

Colorado	Pennsylvania
Delaware	Puerto Rico
New Hampshire	Vermont
New York	Virgin Islands

A permit issued by reciprocity also requires that the applicant hold an active permit in good standing issued by another jurisdiction. Under reciprocity the licensee may have the principal place of business in Oregon or another state. Permits issued by reciprocity are based on the qualifications of each individual applicant, and are not based on substantial equivalency.

## **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 for further information.

Martin Dean Hunter, CPA #3738 March 24, 2003, the Board revoked CPA certificate and permit #3738 and assessed a civil penalty of \$6,000 for conduct that evidences dishonesty, fraud or gross negligence in the practice of public accounting. Revocation of the CPA certificate is stayed so long as licensee complies with the conditions of the consent order, including a restriction from performing attestation services, excepting SSARS 8 compilations from the restriction.

Kit W. Johnson, CPA, #6542 April 18, 2003, the Board issued a final order assessing a civil penalty of \$2,100 for use of the "CPA" or "Certified Public Accountant" designation while licensee's permit was lapsed and for failure to provide written notice of a change of address within 30 days.

Gregg W. Harrison, CPA, #2560 April 13, 2003, the Board approved a consent order removing licensee from the Municipal Audit Roster and assessing a civil penalty of \$2,500 for failure to follow applicable auditing standards and for conduct that reflects adversely on the licensee's fitness to practice public accountancy.

David J. Taylor, CPA, #5370 May 5, 2003, the Board issued a final order assessing a civil penalty of \$1,000 for falsely representing to the public that licensee held an active permit to practice public accountancy in Oregon while license was in lapsed status.

Robert A. Lundgren, CPA, #1265 May 8, 2003, under the terms of a consent order, the Board accepted resignation of CPA certificate and permit #1265, effective May 31, 2003, and assessed a civil penalty of \$5,000 for conduct that evidences a lack of ability or fitness to discharge the duty owed to a client or the general public and that evidences lack of knowledge or ability to apply principles or skills of the practice of public accountancy.

The Oregon Board of Accountancy assessed a \$100 civil penalty against the following licensees for failure to submit a change of address within 30 days: Ali Mohammed Ali Refai #8356, Derek W. Dowsett #7552, Walker H. Edens Jr. #3850, Frederick W Sunderman #5518, David Scott Thomason #9634

## Soliciting...

Volunteer members for the Board of Accountancy Qualifications Committee for a two-year term beginning January 1, 2004. This committee is responsible for reviewing experience requirements of applicants who wish to obtain an Oregon permit to practice public accountancy, and to make recommendations to the Board of Accountancy regarding such applications. The Committee reviews applications that demonstrate achievement of the core competencies through experience in other professional standards, including non-public accounting experience (equivalent experience) and experience obtained through Board approved experience programs. This committee meets six times each year by telephone conference call. Actual and necessary expenses incurred for committee meetings will be reimbursed.

If interested, please call Kimberly Bennett at 503.378.4181 ext 24.

### 2003 Board Meeting Schedule

August 18 – Salem  
October 19-20 – Bend  
December 15 - Salem

#### Board Members:

Alan Steiger, CPA, Chair  
adec  
2601 Crestview Dr.  
Newberg, Oregon 97132-0111

Stuart Morris, PA, Vice-Chair  
5922 NE Sandy Blvd.  
Portland, Oregon 97213

James Gaffney, CPA, Sec-Treasurer  
Moss Adams, LLP  
222 SW Columbia St. #400  
Portland, Oregon 97201

Nikki Weiner, Public Member  
Farmers Insurance  
2651 Commercial St SE  
Salem Oregon 97302

Lynn Klimowicz, CPA  
Evans Slight Klimowicz & Galbick PC  
PO Box 1819  
Roseburg OR 97470

Jens Andersen, CPA  
Jones & Roth PC  
432 West 11<sup>th</sup>  
Eugene, Oregon 97401

Kent Bailey, CPA  
Guyer Lindley Bailey & Martin CPAS PC  
2790 Main Street  
Baker City Oregon 97814

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