

New Mexico Regulation and Licensing Department
BOARDS AND COMMISSIONS DIVISION
New Mexico Public Accountancy Board

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MINUTES

Board Meeting and Rules Hearing
October 21, 2014

BOARD MEMBERS IN ATTENDANCE: Mr. C. Jack Emmons, Chairman, CPA
Mr. Patrick Stewart, Vice Chair
Mr. Dennis Houston, Treasurer
Mr. William Golden, Secretary
Mr. Farley Vener, CPA

BOARD MEMBERS NOT IN ATTENDANCE: Ms. Maria Cassimus, CPA
Mr. Ben Roybal

BOARD STAFF IN ATTENDANCE: Ms. Jennifer N. Baca, Executive Director
Ms. Jeanette Contreras, Licensing Administrator
Mr. Ernest Santucci, Investigator
Ms. Juanita Aragon, Licensing Manager
Ms. Anna Armijo, Admin. Secretary

**ATTORNEY GENERAL'S OFFICE
STAFF IN ATTENDANCE:** Ms. Mary Smith, Board Counsel

PUBLIC IN ATTENDANCE: Mr. Steve Holliday, CPA
Mr. Dan Dustin, NASBA
Mr. Carlos Barrera, NASBA
Mr. Coalter Baker, NASBA/Texas State Board
Ms. Donna Peace, NM Society RAB Chair

PLACE & TIME:

The New Mexico Public Accountancy Board held a Board Meeting and Rules Hearing on October 21, 2014, 9:00 a.m., in the RLD Conference Room, 5200 Oakland Ave. NE, Albuquerque, NM 87113.

1. CALL TO ORDER; ROLL CALL

Chairman Mr. Jack Emmons called the meeting to order at 9:05 a.m. Roll call was taken: Chairman Emmons, Mr. Bill Golden, Mr. Patrick Stewart, Mr. Dennis Houston, and Mr. Farley Vener were present. Board members not present were: Ms. Maria Cassimus and Mr. Ben Roybal.

2. REVIEW AND APPROVAL OF AGENDA

A motion to approve the agenda was made by Mr. Stewart and seconded by Mr. Houston.

The Board voted unanimously to pass the motion.

3. APPROVAL OF MINUTES FROM AUGUST 12, 2014 REGULAR BOARD MEETING

A motion was made by Mr. Golden and seconded by Mr. Farley, to approve the minutes of the August 12, 2014, regular Board Meeting.

The Board voted unanimously to pass the motion.

4. ESTABLISH BOARD MEETING DATES FOR 2015

A motion was made Mr. Stewart and seconded by Mr. Houston, to approve the 2015 Board Meeting dates:

- **FEBRUARY 10**
- **APRIL 21**
- **JUNE 9**
- **AUGUST 11**
- **OCTOBER 20**
- **DECEMBER 8**

The Board voted unanimously to pass the motion.

- **A 2015 Board meeting at UNM- Anderson Schools of Management Facility (February or October 2015)**

Vote was not taken-The Board took the matter under advisement. The Board was in agreement with the February 10, 2015 Board Meeting being held at University of New Mexico Anderson Schools of Management.

5. ANNUAL EVENTS AND UPDATES

- **NASBA Board Meeting brief presentation by Dan Dustin, Carlos Barrera, and Coalter Baker at the October 21st Board Meeting.**

Mr. Dan Dustin updated the Board with Uniform Accountancy Act changes and potential concerns, such as, UAA's definition of Attest, Firm Mobility, and Inactive CPA licenses. NASBA speakers informed the Board Members of the many services and support NASBA offers to Boards of Accountancy.

- **NASBA 107th Annual Meeting, Washington, DC – November 2-5 2014**

6. PEER REVIEW & NMSCPA PEER REVIEW PROGRAM UPDATE

Chairman Emmons presented a concern with obtaining Peer Review information from the New Mexico Peer Review Committee. Peer Review Committee Chairman, Donna Peace stated the committee is bound by AICPA's confidentiality policy. Peer Review Committee releasing any information other than the firm name, prior to acceptance of the peer review is prohibited by AICPA Standards.

7. APPOINTMENT OF RULES COMMITTEE

Chairman Emmons tabled the appointment to the December Board Meeting, to allow more time for members and others to volunteer for the rules committee.

8. SWEARING IN CEREMONY-NOVEMBER 19, 2014

- **Board Member attendance** – Mr. Emmons, Mr. Golden, Mr. Farley, Mr. Stewart and Mr. Houston will all be in attendance of the November 19, 2014 Swearing in Ceremony
- **Request by Nauman Poonja**- A motion was made by Mr. Golden and seconded by Mr. Houston, to accept a sworn oath from Mr. Poonja in lieu of attending a swearing in ceremony.

9. PEER REVIEW MATTERS AND COLLABERATION WITH FEDERAL AGENCIES

- **Department of Labor** – Unlicensed CPA Firms conducting ERISA audits and CPA firms with firm permit that have not had the applicable Peer Review.
- **Federal Audit Clearinghouse (OMB)**- supplied a list of New Mexico CPA firms performing Single Audits (federal government funds)

Ms. Baca presented an update on the above Peer Review matters.

10. REQUEST BY DONALD SORENSEN TO CHANGE HIS CPA LICENSE TO INACTIVE WITHOUT CURRENT CPE (exp. 10/31/2014), pursuant 16 NMAC 60.3.15 (B) (1) AND 16 NMAC 60.3.15 (C)

- **Request by Donald Sorensen** – A motion was made by Mr. Vener and seconded by Mr. Golden, to approve a CPE waiver for Mr. Sorensen and to change his status to inactive due to extenuating medical conditions.

The Board voted unanimously to pass the motion.

11. UNIFORM CPA EXAMINATION ISSUES

- **Request by Antonio Baca for an extension of Credit for AUD (expired on 8/9/2014)** – A motion was made by Mr. Vener and seconded by Mr. Golden, to approve Mr. Baca an extension of time of the AUD portion of the CPA exam till December 31, 2014.
- **Approval of Scores for July/August 2014 Testing Window** – A motion was made by Mr. Stewart and seconded by Mr. Golden, to approve the Uniform CPA Examination scores for the July/August 2014 testing window. The Board voted unanimously to pass the motion.
- **CBT Data for New Mexico** – Ms. Baca provided the CBT Data for New Mexico for the Board's edification.
- **Candidate Performance Data for July/August 2014 Testing Window** – Ms. Baca provided the Candidate Performance Data for July/August 2014 testing window for the Board's edification.

The Board voted unanimously to pass the above motions of the Approval of Scores and Request for an extension of credit for Mr. Baca.

12. EXECUTIVE SESSION

Chairman Emmons moved to enter into executive session. Chairman Emmons, Mr. Patrick Stewart, Mr. Dennis Houston, Mr. Farley Vener, and Mr. William Golden, were present and voted unanimously to enter of executive session. The executive session will be held in accordance with NMSA 1978, Sections 10-15-1 (H) (1) for the limited purpose of:

- o Consideration of Complaint Committee recommendations in the following cases:
 - o Case No. 2014-33
 - o Case No. 2014-34
 - o Case No. 2014-35
 - o Case No. 2014-36
 - o Case No. 2014-37
 - o Case No. 2014-38
 - o Case No. 2014-39
 - o Case No. 2014-40
 - o Case No. 2014-41
 - o Case No. 2014-42
 - o Case No. 2013-43
 - o Case No. 2014-44
 - o Case No. 2014-45
 - o Case No. 2014-46
 - o Case No. 2014-47
 - o Case No. 2014-48
 - o Case No. 2014-49
 - o Case No. 2014-50
 - o Case No. 2014-51

Proposed Case Closures:

- o Case No. 2012-11
- o Case No. 2014-09
- o Case No. 2014-19
- o Case No. 2014-20
- o Case No. 2014-23
- o Case No. 2014-24
- o Case No. 2014-26
- o Case No. 2014-27
- o Case No. 2014-29
- o Case No. 2014-31
- o Case No. 2014-32

Other Circumstances:

- o Case No. 2014-03
- o Case No. 2014-04
- o Case No. 2014-14
- o Case No. 2014-30

A motion was seconded by Mr. Vener, to enter into executive session. A roll call vote was taken. Roll call vote: Chairman Emmons, Mr. Houston, Mr. Golden, Mr. Stewart, and Mr. Vener voted unanimously to pass the motion.

The members entered Executive Session at 10:25 A.M.

13. BOARD DECISIONS

The Board returned from executive session at 11:25 a.m. Chairman Emmons stated that the only items discussed in the executive session were the cases listed on the agenda. A roll call vote was taken by Ms. Baca: Chairman Emmons, Mr. Patrick Stewart, Mr. Dennis Houston, Mr. Farley Vener, Mr. William Golden, were present. A motion was made by Mr. Stewart and seconded by Mr. Vener, to exit of executive session.

The Board voted unanimously to pass the motion.

Complaint Committee Recommendations: A motion was made and read by Mr. Stewart and seconded by Mr. Vener, to accept the recommendations of the following cases:

- Case No. 2014-33 Letter of concern advising the Respondent of the NMAC.
- Case No. 2014-34 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$100 fine and completion of 8 hours not sponsored by employer by 12/31/2014.
- Case No. 2014-35 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$750 fine by 12/31/2014.
- Case No. 2014-36 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine and completion of 10.5 CPE hours by 12/31/2014.
- Case No. 2014-37 Advisory/Letter of concern advising the Respondent of NMAC.
- Case No. 2014-38 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$100 fine by 12/31/2014.
- Case No. 2014-39 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$200 fine and completion of 3 CPE Ethics hours by 12/31/2014.
- Case No. 2014-40 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$300 fine by 12/31/2014.
- Case No. 2014-41 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: Payment of a \$50 fine by 12/31/2014.
- Case No. 2014-42 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine by 12/31/2014.
- Case No. 2014-43 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine and completion of 4 CPE Ethics hours by 12/31/2014.
- Case No. 2014-44 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$300 fine by 12/31/2014.
- Case No. 2014-45 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine by 12/31/2014.
- Case No. 2014-46 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$750 and completion of 33 CPE hours by 3/31/2015.
- Case No. 2014-47 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$1000 fine and completion of 88 CPE hours by 3/31/2015.
- Case No. 2014-48 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$500 fine and completion of 24 GAGAS (Yellow Book) CPE hours by 3/31/2015.
- Case No. 2014-49 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine by 12/31/2014.

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- o Case No. 2014-50 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine and completion of 14 CPE hours by 12/31/2014.
- o Case No. 2014-51 Issue NCA; defer issuance pending acceptance of a Pre-NCA Stipulated Agreement: a payment of a \$250 fine by 12/31/2014.

Proposed Case Closures:

- o Case No. 2012-11 Close Case.
- o Case No. 2014-09 Close Case.
- o Case No. 2014-19 Close Case.
- o Case No. 2014-20 Close Case.
- o Case No. 2014-23 Close Case.
- o Case No. 2014-24 Close Case.
- o Case No. 2014-26 Close Case.
- o Case No. 2014-27 Close Case.
- o Case No. 2014-29 Close Case.
- o Case No. 2014-31 Close Case.
- o Case No. 2014-32 Close Case.

Other Circumstances:

- o Case No. 2014-03 Amend Pre-NCA Stipulated Agreement to: Submit Final Acceptance Letter and reviewer's report by 3/31/2015.
- o Case No. 2014-04 Issue NCA; proposing to revoke license.
- o Case No. 2014-14 Close Case.
- o Case No. 2014-30 Issue NCA; proposing to revoke license.

The Board voted unanimously to pass the motion.

14. RULES HEARING

Chairman Emmons called the rules hearing to order at 11:49 a.m. Chairman read the Hearings procedures and presented the proposed Rules amendments:

- 16.60.1 NMAC
- 16.60.2 NMAC
- 16.60.3 NMAC

Ms. Baca provided a summary of the proposed amendments to each of the rules. There was no written comments received by the Board regarding proposed amendments. Mr. Patrick Stewart commented on the proposed revisions to Part 3, Section 9- approvals by staff for Swearing-In Ceremonies.

15. ADOPTION OF PROPOSED RULES AMENDMENTS

- 16.60.1 NMAC- The NMAC in Section 10, revision of grade transfer fees to fairly reflect the administrative costs associated with the grade transfer.
- 16.60.2 NMAC- The NMAC in Section 10, to allow staff to approve the CPA Exam grades, is being adopted to license applicants more efficiently and quickly. The NMAC in Section 13, to remove the obsolete transitional process of paper and pencil examination.
- 16.60.3 NMAC- The NMAC in Section 9, to revise criminal background check procedures to reflect the current DPS procedures. The NMAC in Section 9, to add a subsection to include expedited licensure for Military applicants, which is compliance with the Uniform Licensing Act. The NMAC in Section 15, to change a term of "off-site" to "engagements", because the term is obsolete and outdated.

A motion was made by Mr. Stewart and seconded by Mr. Houston, to adopt the amendments as presented. The Board voted unanimously to pass the motion.

16. REMAINING BOARD MEETINGS FOR 2014:


- November 19- Swearing In Ceremony
- December 9

17. ADJOURNMENT

A motion was made by Mr. Stewart and seconded by Mr. Houston, to adjourn the meeting at 12:15 p.m.

The Board voted unanimously to pass the motion to adjourn.


C. Jack Emmons, CPA, Chairman


William Golden, Secretary
FOR MR. GOLDEN
12-9-2014