

INDIANA BOARD OF ACCOUNTANCY

Meeting Minutes

July 14, 2023, at 9:00a.m.

Indiana Professional Licensing Agency

402 W. Washington Street, W064

Indianapolis, IN 46204

CALL TO ORDER AND ESTABLISHMENT OF A QUORUM 9:00 a.m.

Michael Barton of the Indiana Board of Accountancy, called the meeting to order at 9:02 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, Liaison, Telephonically

State Officials Present:

Toby Snell, Board Director

Rachelle Cannon-Mason, Compliance Officer

Ned Hannah, Advisory Counsel

Evan Bartel, Deputy Director-General Counsel, Telephonically

ADOPTION OF THE AGENDA

A motion was made by Member Skeen and seconded by Member Gettelfinger to adopt the July 14, 2023, amended agenda.

3-0-0, Motion carried.

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

ADOPTION OF THE MAY 12, 2023, MEETING MINUTES

A motion was made by Member Skeen and seconded by Member Gettelfinger to adopt the May 12, 2023, meeting minutes.

3-0, Motion carried.

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

REPORT FROM OFFICE OF THE ATTORNEY GENERAL

The Attorney General's Office provided the Board with a report per IC 25-1-7-13. Ian Matthew, Deputy Attorney General, presented the report to the Board.

PUBLIC HEARING FOR RULES

9:00 a.m.

The court reporter was Margie Addington.

LSA document 23-45 rule finalized.

PERSONAL APPEARANCES

9:00 a.m.

In the Matter of the License of: Laura Deischer

Re: Initial Application

Ms. Deischer appeared before the Board for her personal appearance. In December of 2021 she went to an event without her husband who is usually the designated driver. She was going to do an uber but drove and got caught with a DUI. She completed all requirements. Member Barton asked if she had anything since. She stated no. Advisory Counsel Ned Hannah asked if her sentencing order was on April 27, 2023, with a 12-month probation. She said it was, but she is a non-reporter. Ned asked but she is on probation for a year. She said yes. Ned asked if her completion will be in April 2024. She stated yes.

A motion was made by Member Skeen and seconded by Member Gettelfinger to approve the initial application subject to probation matching the criminal conviction.

3-0-0, Motion carried.

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

ADMINISTRATIVE HEARINGS

9:00 a.m.

The court reporter was Margie Addington.

In the Matter of the License of: Risetter and Associates LLC

Cause No.: 2023 IBA 0001

Re: Disciplinary Hearing

DAG Ian Mathew appeared for the State. Attorney David Jose appeared for Risetter and Associates LLC. DAG Ian Mathew stated that the 11.30.2020 peer review by Theresa Powell noted two primary deficiencies and was a quality control fail. PROC reviewed and forwarded the matter to the AG's office. The State files two charges: the peer review failure itself and failure to keep abreast of underlying deficiencies. The State wants the Board to find the firm in violation of both charges. Attorney Jose contests the allegations and does not believe the evidence supports the findings. He concedes there was a finding of a failure but the terms of responding to the failure are open to debate. He said the firm is prompt to comply and requests the Board wait until September to show the firm is compliant with corrective measures and asks that no discipline be imposed or the Board delay making a decision until September so they will be fully informed. State calls Natalie Christy as a witness. She stated she is an investigator with the AG's office that investigates consumer complaints and that she investigated this case. State's exhibit A was the consumer complaint dated 12.2022 with no objections and so admitted. State's exhibit B was the failed peer review report dated 1.25.2021 with no objections and so admitted. State's exhibit C was the response during investigation that Jeff Risetter sent with no objections and so admitted. The firm had undergone peer review and was working with Theresa Powell as of 1.27.2023. The firm altered policies procedures moving forward to be in compliance. Letter from Peer Review

Alliance on 8.22 details why firm received a rating of a fail and what the Alliance would like the firm to complete in order to be in compliance. Attorney Jose asked State's witness if she in reference to State's exhibit B reviewed the number of policies and procedures. She stated no. Attorney Jose asked did anyone in the office. She stated not that she was aware of. He asked if Theresa Powell was here. She stated she did not believe so. He stated the son Jeremy was here and in that letter Risetter on 9.25.22 described corrective measures the same day as the report. She stated yes. Respondent's attorney stated he submitted to the Peer Review Alliance and that there was communication seven months later. She stated yes. Peer Review Alliance says committee accepts aforementioned documents, but others exist. He stated on 11.30 they accepted most peer review report. She said yes. He asked do you know of any other reviews by Ms. Powell. She stated I do not know. He asked if she knew if Powell stayed in her position. She said letter indicates so. He asked if last she heard Powell was still overseeing this process. She stated yes. Attorney Jose for Risetter presented his case. Respondent exhibits 1-10 were submitted with no objections. Jeremy Risetter was the Respondent's witness. Respondent's attorney asked what his current position was. Risetter stated he has a management role in the firm. Respondent's attorney asked if he had a degree. Risetter said he has a Bachelor's of Arts in Economics and Finance from Simpson College in Iowa. Respondent's attorney asked if he had any minors or majors. Risetter said he has a minor in data analytics. Respondent's attorney asked if he was a CPA yet. Risetter stated he was working towards being a CPA. Respondent's attorney asked if there was anyone else. Risetter said there was Trent Risetter and another employee named Bill and his father, the owner. Respondent's attorney asked if anyone has their CPA. Risetter said yes, the owner does. Respondent's attorney asked what his father did prior to the firm. Risetter said he worked at his father's business as an accountant in construction business and the siblings sold the business. Respondent's attorney asked him to describe the work performed with the clients. Risetter said it was tax advisory, business and personal taxes, payroll audits for nonprofits and one for profit, and lots of bookkeeping. Respondent's attorney asked if he was familiar with why they are here today. He said yes and present with peer review as well. Exhibit 1 was Teresa Powell's peer review report. Exhibit 2 letter from 1.25 was from father to peer review committee. Exhibit 3 was letter dated August 18th from Peer Review Alliance to Joseph Risetter. Exhibit 4 was letter dated 11.30.22 from Peer Review Alliance to Jeff Risetter. Exhibit 5 was a letter dated January 7th to the Office of Attorney General from Joseph Risetter. Exhibit 6 was dated 4.2023 from Peer Review Alliance to Joseph Risetter. Respondent's attorney asked if all of these communications are back and forth for peer review process. Jeremy Risetter stated yes. Exhibit 7 was a letter dated July 10th from father to the Office of Attorney General. Respondent said Teresa Powell was first reviewer but she no longer works with the Peer Review Alliance so they had to reach out to another Iowa firm. Exhibit 8 was a cover statement followed by certificates that were AICPA courses the firm took. Exhibit 9 were corrective action courses from AICPA for Jeremy Risetter specifically. Exhibit 10 was CPE courses from Trent in college as additional corrective actions. He graduated from Ball state with three majors: business analytics, finance, and no minors. Trent just had

graduated and still took AICPA courses. Respondent said they had meetings over the deficient areas and filled those needs by changing worksheets and did more CPE courses as well as updated control documents for an audit. He stated his data analytics degree had a big impact on the firm's audits with a better program. It took 8 months for the Peer Review Alliance to respond to the letter dated January 25th. The firm had to go find someone else when Powell was no longer with AICPA. There have not been any other complaints. DAG asked if Joseph Risetter was the only licensed CPA in the firm. Respondent said yes. DAG asked if he was working towards the CPA. Respondent stated yes. DAG asked if his brother was as well. He stated possibly but he just graduated. DAG asked if on Exhibit 6 the first three things about CPE were completed. Respondent said yes. DAG asked if only thing outstanding was a follow up. Respondent said that is correct. DAG asked if at this point, he anticipated a further extension or to be done by 8.31. Respondent said it was their intention to be done by 8.31. Member Gettelfinger asked Mr. Risetter how many comp engagements the firm performed/ completed. Respondent said per year compilations were about 5-8, review engagements were 5 probably, and 5 audit engagements. Member Gettelfinger asked if he could tell them more about the 5 audit engagements. Respondent said 3 are nonprofit and 1 was a construction company that does traffic cones with DOD. Member Gettelfinger asked about childcare engagements. Respondent said it was for mentally disabled children turned to the State. Client is paid by State of Indiana then they turn and pay parents. Member Barton asked if it was government standards then. Respondent said yes and the other one was for disadvantaged youth in Valparaiso Indiana. Member Barton asked if both receive government funding. Respondent said Valparaiso gets some federal grants, but most is donor driven. Member Barton asked if childcare audits are subject to yellow book. Respondent said no. Member Barton asked if the construction company bonded's audit report was used to secure bonding. Respondent said no. Member Barton asked if the company was not bonded. Respondent said he was unsure of the terminology. The fourth engagement is the YMCA in Portage Indiana and they have two public bonds. Member Barton asked the fees range. Respondent said the 401k audit was 30,000 others was 7-10k depending on size. Member Barton asked if the Department of Labor had any questions about the 401k audit. Respondent said no and 15-20% of firm's revenue were attest fees. Member Gettelfinger said that the only thing he can see is Teresa Powell was removed from the program for unknown reasons and the authorities cannot say why she was removed. He asked if either party could shed any light on Ms. Powell's removal from this program. Mr. Jose and Mr. Risetter said they do not know why that happened. Member Gettelfinger said and no one shared why. They said that is correct. Member Gettelfinger asked if the State knows why she is removed. DAG said no evidence about her involvement. Member Barton asked if either party can share with why a peer reviewer might be removed in general. Mr. Jose stated they are not sure if she left or was removed. Member Gettelfinger asked if they reviewed the professional literature for reasons why a peer reviewer might be removed. Mr. Jose said they were not aware of anything just that the Alliance said it was confidential. Member Gettelfinger asked have they not made any study of why peer reviewers were removed. He said no. Member Skeen asked Jeremy

Risetter if he had bachelors in data analytics with any accounting courses. He said yes and meets CPA exam and licensure requirements. She asked if prior to peer review did he work on audit or just his father. He said just his Father as he was in college during the peer review. She asked prior to peer review that he did not perform any audit work. He said correct. She asked if there were any CPE training or tools prior to peer review. He said he had CPE himself to maintain his CPA license. She asked if any were particular for audit. He said question would be for him as he is unsure of that. Member Barton asked for examples of what was missed. He said simple forms as they had too vast of forms. Member Barton asked if there was a lack of performing risk assessment procedures. He said they worked hard on CPE and with Reuters' 10-15 pages long risk assessment. Member Barton asked what he was doing before that. He would have to ask his father he was performing it but not to the degree of what was required. Member Barton asked what was the audit time spent. He said best estimate is 30-35% of time. Member Barton said 401k, two construction audits and audits containing government funding are high risk. Respondent said they are. Member Barton asked if they were still offering audit as a service. Respondent said it is under consideration to maybe not continue on. Member Barton asked if they had a quality review since the last one. Respondent said no. Member Barton asked is anyone reviewing their audit report. He said no. State said all evidence presented. Mr. Jose said AICPA only sent the link to find their own peer reviewer so not many in Indiana. DAG's closing statement was evidence was clear they had a failed peer review which is a violation of statute. DAG said violations can be found on both but a sanction only on one of them. They are going through remediation with AICPA but firm could go on probation and submit reports and show finalized information; letter reprimand for violations, and fines on them. It is up to the Board. They could continue to September 22nd and defer to Board's judgment to see their completion. They do not want to set precedent with Respondents to show up to hearings and present and have more and want to come back later. Mr. Jose had a closing statement. The complaint is tied to the peer review report of January 22nd and the person who did the report is not with them or the program anymore. The firm responded quickly, and the Alliance accepted it on November 22nd and then a few months later the peer review was needed but the firm was told to find their own peer reviewer. They have it scheduled by a new person in August. Everything asked of them they have done even new employees. They have taken it seriously and bought the technology and brought young minds to the firm to stay abreast of developments. The report from 1.5 years ago is not reflective of the commitment and what they have done. He suggests a letter of reprimand to remind them, fine them something, but probation seems a dramatic stigma given to how they responded in this situation. He would request ideally no sanction at all alternatively if so then a letter of reprimand and fine would be understandable. A third option would be to continue to September when they have the report. He does not think it justifies something as serious as probation given how serious they have taken this.

A motion was made by Member Barton and seconded by Member Skeen to find Respondent in violation of count one.

2-1-0, Motion carried.

Voting in favor: Michelle Skeen and Michael Barton

Voting against: Dale Gettelfinger

A motion was made by Member Barton and seconded by Member Skeen to not find Respondent in violation to alternative count one.

3-0-0, Motion carried.

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

A motion was made by Member Gettelfinger and seconded by Member Skeen to place the Respondent on indefinite probation in line with a peer review pass letter.

3-0-0, Motion carried.

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

BREAK 11:13AM-11:27AM

In the Matter of the License of: Ryan Jacob Collins

Cause No.: 2023 IBA 0002

Re: Disciplinary Hearing

DAG A.J. Holbrook appeared for the hearing on behalf of the State. Mr. Collins appeared for his hearing. DAG stated there are two violations. Collins' opening statement was that these circumstances happened almost three years ago. He tried to help colleagues on a project and notified employer about a mistake and accepted PCAOB's decision on the mistake. Denise Singleton was called as the State's witness. Exhibit A was a PCAOB notice informing PLA about the disciplinary action against Collins accompanied by the consumer complaint filed by PLA from PCAOB. No objections and so admitted. Respondent pulled a 2009 memo relating to the company and altered it and presented it to the PCAOB as new work product. Respondent downloaded a memo from archives and changed it to present as a 2010 document. Team members used memo to answer questions the PCAOB was asking. Respondent did not explain to them that it was a 2009 memo that had been altered. The PCAOB's audit team asked the engagement member for the memo and he pulled the memo and added the date to it when previously it didn't have a date. Two indiscretions found him misleading statements and providing document that had misleading information. PCAOB sanctioned him with probation for one year and barred from public associated person with a registered public accounting firm. Mr. Collins agreed to a settlement with PCAOB. Member Barton asked if anyone else was punished. Collins said he was the only one punished. Member Skeen asked if he will go back to public accounting. He said no as he felt betrayed by colleagues. Member Gettelfinger asked if he had state charges. He said yes he was aware of them. Member Gettelfinger asked if he admits to count 1. He said yes by PCAOB. Member Gettelfinger asked if he admitted to count 2. Respondent said yes. DAG's closing statement was that the State proved burden of evidence that he committed

two violations and requests the Board issue sanctions against his license. Mr. Collins' closing statement was he had been sanctioned previously so he violated the sanctions.

A motion was made by Member Skeen and seconded by Member Gettelfinger to find Respondent in violation of counts 1 and 2.

3-0-0, Motion carried.

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

A motion was made by Member Gettelfinger for a letter of reprimand, \$2K fine, admin costs, and \$5 health records fee. Motion failed due to no second for the motion.

A motion was made by Member Skeen and seconded by Member Barton to issue a letter of reprimand, \$1K fine (\$500 per count), and \$5 health records fee.

3-0-0, Motion carried.

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

BREAK 12:09PM-12:19PM

APPLICATION REVIEW

Hyeri McGrath: Reinstatement

A motion was made by Member Skeen and seconded by Member Gettelfinger to reinstate to Active and issue a Notice of Noncompliance.

3-0-0, Motion carried.

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

James Schaefer: Reinstatement

A motion was made by Member Gettelfinger and seconded by Member Skeen to reinstate to Active due to the granted waiver.

3-0-0, Motion carried.

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

CPE HARDSHIP WAIVER AND EXAM EXTENSION REQUESTS

James Schaefer- CPE Hardship Waiver

A motion was made by Member Barton and seconded by Member Gettelfinger to grant the waiver.

3-0-0, Motion carried.

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

Zach Hulliberger- Exam Extension Request

Tabled for REG expiration date and for specific extension date.

BREAK 12:46pm-12:52pm

DISCUSSION ITEMS VOTE REQUIRED

Recommendations Proposed by the GRAC for additional uses of the Accountancy Investigative Fund

Michael asked for any new developments with the fund. Evan said finding a forensic accountant with the AG's office is in discussion. Evan needs to tell PLA if that is firmly what the Board wants to do because if so they need an MOU with the AG's office. Michael said there is no one in mind. Evan said the AG's office has a fraud examiner with financial background. Evan said MOU gives authorization to use money to hire someone and invoice PLA back and they are obligated to pay those costs. Michael asked Sherill if the Society supports that the person needs to have specific training like in audit etc. as he is not sure what the job description is for AG's office. She said she can have the Board look at the job description so when the person is hired, they can ask for more training and use the fund for more training/ costs. Dale asked if they need a job description. Michael said Sherrill recommends getting a job description. Evan asked if there any AG people still present. Michael said no. Evan said the ball is in the AG's office court. If there are specifications in mind for the job or if Sherrill compiles a list of stuff for the job description, she can email it to Evan and he send it to the AG office. Evan said he can start working on MOU for the next meeting. Member Gettelfinger asked if firms do this type of work are appropriate to consider a contract with firm. Evan said a firm would be fine as the Dental Board is doing something similar with a full-time employee contract. Michael said a better candidate may be with a contractor than AG office/ retiree job. Evan will put together an MOU and Sherrill will send Evan the requirements for the position.

Rules Subcommittee

Michael is worried about having only three Board members right now and of the three being too busy to do a rules subcommittee. He asked if a Board member must be on the subcommittee. Evan said it is generally how it is set it up but the rules subcommittee can just be someone from the CPA society, Elizabeth Walker with PLA, Donald Hannah advisory counsel, and the Board's compliance officer.

DISCUSSION ITEMS NO VOTE REQUIRED

Investigative Fund Statement

The Board observed that the growing fund balance supports a new investigator role.

Compliance Officer Report

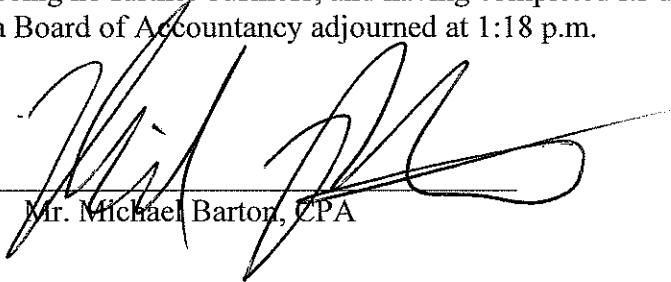
The compliance officer reported that she attended NASBA's Eastern Regional Conference. NASBA will also be setting up Indiana as part of their ACE program. PROC met on July 18th to review one failed peer review.

IC 5-14-1.5-3.6 (d)

Ned read the specific section from Indiana's open-door law regarding the electronic participation policy. It has a special section stating each member of the board is required to physically attend one meeting annually.

I. ADJOURNMENT

There being no further business, and having completed its duties, the meeting of the Indiana Board of Accountancy adjourned at 1:18 p.m.



Mr. Michael Barton, CPA

9/22/2023
Date

