

THE BALANCE SHEET

Newsletter of the Indiana Board of Accountancy

May 9, 2011

Inside this
issue:

Firm Permits:	2
Who Needs 'em?	
Maybe you...	
New Rules & Regulations	2
Disciplinary Actions	3
CPE Audits	3
Meet the Staff	3
Meet the Board	4

Compliance Takes Center Stage

The Board recently hired a Compliance Officer, Morgan L. Burton, to educate the accountancy community regarding the laws and regulations applicable to the practice of accountancy and to investigate potential violations.

Ms. Burton earned an undergraduate degree from the Kelley School of Business in 2002 and a law degree from the University of Louisville in 2005. She has five years of experience in litigation and has spent the last four years as a Deputy Attorney General representing the State in licensing actions.

Be on the lookout for Ms. Burton as she will be traveling around the State to introduce herself, educate the community about the rules and regulations, and investigate potential violations of the code. The mission of the compliance officer is to enhance the profession by assisting CPAs

and firms in understanding the laws, but also to enforce the laws should any licensee choose not to comply.

The Board expects all licensees and firms to comply with Ms. Burton's requests and welcome her into the community. If you have any questions, requests, or believe someone may be in violation of the law, you may contact Ms. Burton via phone or email.



Morgan L. Burton
Phone: (317) 234-3025
Email: morburton@pla.in.gov

Follow us on Facebook!



The Board is now on Facebook! Become a fan of the Board by searching for "Indiana Board of Accountancy"—just click on the Like button. By following us on Facebook, you will receive information about renewals, audits, continuing education, and more. We will also be posting any articles of interest as

we come across them. If you have any content that would be of interest, be sure to send it to the Board (contact information on last page). This is also a great opportunity to connect with other professionals. We hope you join us and look forward to any information you want to share!

Firm Permits: Who Needs 'em? Maybe You

Many accountants in the community are practicing without the required permit. The laws on this topic are spread out, which could account for most of the confusion regarding this requirement. The board will, however, begin to enforce this regulation and therefore we want you to be informed.

The board has interpreted the laws in this area to require a firm permit for anyone that provides services to the public as an accountant. While that seems pretty simple, Indiana code does not state this requirement in simple terms, which, again, accounts for the confusion in the accountancy community.

Indiana Code defines a firm to include sole

proprietorships. Therefore, even a solo CPA practicing out of his or her home is considered a firm. The easiest statute to show the requirement for a permit is Ind. Code § 25-2.1-12-3.5, which states that a CPA or PA may not perform an attest except through a firm that holds a valid permit. Using a combination of other statutes, the Board is interpreting the statutes to also require firm permits for other services that require a CPA license as well.

Therefore, we encourage those of you practicing without the required permit to apply for one today by going to www.in.gov/pla/accountancy.htm. It costs only \$30.00 and could save you the time and expense of a disciplinary action.

“The Board has interpreted the laws...to require a firm permit for anyone that provides services to the public as an accountant.

New Rules & Regulations

A bill pending the governor's signature could impact the accountancy community if it becomes law. House Bill 1233 concerns peer review and client records. The bill passed through the House and the Senate as of May 5, 2011. It is awaiting the signature of the governor. If the bill becomes law, the current statute would refer to the process as it is more commonly known, “Peer Review” instead of “Quality Review.” Current law keeps confidential the content of all Peer Reviews, but this new law would allow a Peer Review that “Fails” to be used as evidence to discipline a CPA and/or firm in an action before the board. This bill would go a long way to uphold the

integrity of the accounting profession as well as protect consumers from accountants that fail to meet current standards.

This new bill would also require accountants to return records to a client within 45 days of a request.

In addition, Rule 872 IAC 1-1-9.5 was amended to allow exam candidates to apply to take the CPA exam prior to completion of educational requirements. The test is only valid if the requirements are later met.

For more information:

House Bill 1233: <http://indiananet.indianachamber.com/bill-detail.aspx?id=8405>

Rule 872-1-1-9.5: <http://www.in.gov/legislative/iac/20110413-IR-872100258FRA.xml.pdf>

Disciplinary Actions

The board is responsible for hearing disciplinary actions and deciding whether a person or firm is competent to practice in Indiana. These hearings are open to the public. Here are the most recent cases before the Board.

Jeffrey P. Cloyd, IBA 10-03

Mr. Cloyd's license was reinstated from suspension, but remains expired.

Terry Mullins, IBA 05-28

Mr. Mullins' license was reinstated.

Mary Christine Babcock, IBA 10-26

The state voluntarily dismissed the case against Ms. Babcock's license.

The board's next meeting will take place on May 20, 2011 at the Indiana Government Center, South Building, Room W064. For information about hearings on the next agenda, feel free to contact us or check our website www.in.gov/pla/3115.htm for details on litigation cases. Agendas may not be available until 48 hours prior to the board's meeting.

The Board's next meeting will take place on May 20, 2011 at the Indiana Government Center South.

CPE Requirements & Audits

The next audit for Continuing Professional Education (CPE) requirements will occur in 2012 for the period of January 1, 2009 through December 31, 2011. The board randomly picks a sampling of licensees to be audited to ensure compliance. In addition, anyone that failed the previous audit, which began in 2009, will be audited again in 2012. If you are found to be in noncompliance with the requirements, you will be assessed a civil penalty up to \$1,000 and you will be required to make up the deficiency in CPE hours. Furthermore, your license will be placed on "Conditional" status. If you do not

comply with the board's order regarding the civil penalty and/or the requirement for CPE hours, your license will be placed on "Indefinite Suspension."

As a reminder, here are the requirements for CPE:

- Total of 120 hours in the three year cycle
- Minimum of 20 hours must be obtained in each year
- Minimum of 12 hours must be obtained in auditing and accounting, and four hours must be in ethics
- No more than 60 of the hours may be obtained either in self study or as an instructor

For more information:

See 872 IAC 1-3-3 et. seq.

http://www.in.gov/legislative/iac/iac_title?iact=872

Meet the Staff

Katie Lowhorn, Board Director

Welcome to Katie Lowhorn, the board's new director. Ms. Lowhorn began her role as director on March 21, 2011 but has been with the Professional Licensing Agency in other capacities since 2006. She also obtained her undergraduate degree in Telecommunications and Business from

Indiana University in 2006. Ms. Lowhorn's experience with other boards and with the agency will serve the Board of Accountancy well. We look forward to working with her and encourage the accountancy community to welcome her and contact Ms. Lowhorn with any questions.



Katie Lowhorn
(317) 234-3040
klowhorn@pla.in.gov

INDIANA BOARD OF ACCOUNTANCY

402 W. Washington St.
Room W072
Indianapolis, IN 46204

Phone: 317-234-3040
Fax: 317-233-4236
E-mail: pla11@pla.in.gov
<http://www.in.gov/pla/accountancy.htm>



To provide efficient and effective administrative support services to Indiana's professional licensing boards and commissions in order to facilitate the delivery of competent consumer services by regulated professionals to the citizens of Indiana.

To provide an expedient licensing process for regulated professionals by maintaining a climate that fosters the growth of commerce while ensuring the health, safety and welfare of the citizens of our great state.

Current Board Members

Timothy R. Deisher, CPA, Chairman
Shelley R. Johnson, CPA, Vice Chairman
Michael J. Flowers, CPA
Gregory S. Coy, CPA
John P. Kane, CPA
Randolph Holt, Esq., Consumer Member

Current Board Staff

Katie Lowhorn, Board Director
Katie Blackburn, Assistant Board Director
Morgan L. Burton, Compliance Officer
Nancy Smith, Case Manager

MEET THE BOARD

TIMOTHY R. DEISHER, CHAIRMAN

Tim is a partner with BKD, LLP, the 10th largest CPA and advisory firm in the country. He is located in the firm's Evansville office at 400 Cross Pointe Boulevard. BKD has 29 offices in 12 states, including four offices in Indiana and two in Kentucky. They serve clients in all 50 states as well as over 40 countries. www.bkd.com

Tim was managing partner of a local 60-year-old CPA firm acquired by BKD in June 2006. He is a frequent guest speaker locally, as well as statewide, and is a Personal Financial Specialist (PFS).

As a member of BKD National Manufacturing & Distribution Group, Tim oversees Evansville's accounting outsourcing services. He also has more than 30 years of experience in corporate and personal income tax and consulting.

Tim is a member of the American Insti-

tute of Certified Public Accountants and Indiana CPA Society. He is a past president of the Vanderburgh County Redevelopment Commission and serves on the executive committee of The Chamber of Commerce of Southwest Indiana board of directors. He also serves on the board of directors of the Warrick County Chamber of Commerce.

He was appointed to serve on the Indiana Board of Accountancy in 2006 and has served as board chair since July 2009. Tim is a past chair of the Indiana CPA Society Government Relations Committee and has held various volunteer positions with the Society and AIPCA.

Tim is a 1978 graduate of Eastern Illinois University, Charleston, with a B.S. degree in accounting.

