

Why we should keep the use of the Title “Certified Public Accountant” inviolate.

Contributed by Dennis Cuning, Retired CPA

In many ways the relationship between the practicing Accountant and the client rivals the trust and intimacy level of Doctor/ Lawyer and client. In innumerable instances the client is required to reveal and share not only dreams but also personal shortfalls in the explanation of their financial condition. For this reason the Accountant must, of necessity, be conversant with the Codes of Professional Conduct detailing Independence, Integrity and Objectivity (OAR 801-030-0005), Competence and Technical Standards (OAR 801-030-0010), Responsibilities to Clients OAR (801-030-0015), and Other Responsibilities and Practices (OAR 801-030-0020), and the various and numerous sub-sets therein.

It cannot be said that any portion of the Codes holds more importance than others rather that the totality of all of the parts are necessary to make each part material and effective. The Board, by its' Certification, is affirming that the practitioner utilizing the title 'Certified Public Accountant' (CPA) is versed in all of the standards and is held accountable to them all. In this manner, the client is ensured a consistent standard of competency and professionalism.

Regardless of the reason, should a practitioner not have an active status then the use of the 'CPA' or any variant thereof is inherently misleading, as the safeguard afforded the status has been breached. It cannot be argued that some status factors are less significant than others because the public representation is that each and every factor in the composite is in place. The Statutes are explicit on the subject. ORS 673.320(3) states unequivocally that “A person shall not assume or use the title or designation “Certified Public Accountant” or the abbreviation “C.P.A.” or any other title, designation, words, letters, abbreviations, sign, card or device tending to indicate that the person is a certified public accountant unless the person holds a valid certificate of certified public accountant issued under ORS 673.040 and a permit issued pursuant to ORS 673.150”.

Similarly, ORS 673.220(1) provides no material distinction respecting inactive status as “(T)he Oregon Board of Accountancy may grant inactive status to any licensee who does not hold the licensee out to clients or the public as a certified public accountant or a public accountant and does not engage in the practice of public accountancy...”.

Any diminution of the significance of the title and symbol affects more than just the offending practitioner and the particular client. It serves to devalue the distinction and safeguards afforded by the historic respect our profession has enjoyed, and diminishes the confidence so carefully nurtured in our clientele.

In sum total, we must all remain diligent in ensuring that no one practitioner be allowed to misuse the privilege to use the title “Certified Public Accountant” and symbol “CPA”, and thereby diminish for the rest of us the stature the term has earned. As our respective practices change we must carefully assess our new relationship to what we are allowed to call ourselves. We certainly don't lose our professional stature by retiring, for example, however it would be misleading not include the term “retired” or “inactive” when referencing our prior accountancy activity.

I have certainly now developed a clear understanding of what is expected of myself in utilizing CPA rather than the significance of CPA retired or CPA inactive. I will ensure in all instances I will ensure I adhere to the rules.

WARNING FOR LAPSED STATUS

If you have not yet received your permit card your license may be in danger of lapsing. A license renewal must be complete and received prior to September 1 to avoid lapsed status.

A permit that is not renewed will lapse on September 1 (sixty days after the close of the permit period for which it was issued or renewed *ORS 673.150*). Practicing with a lapsed permit or holding out as a licensee while lapsed could result in disciplinary action, including a civil penalty of \$5,000 and/or loss of your permit to practice (*ORS 673.170*).

A licensee whose permit is lapsed may not display a certified public accountant certificate or public accountant license and may not use the title or designation "certified public accountant: or "public accountant", or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate that the person hold a valid license (*ORS 673.320*). Lapsed license status of a firm partner or owner may also affect the continued firm registration.

Fee Increase for Exam Candidates EFFECTIVE **AUGUST 18, 2007**

Every ATT (authorization to test) submitted to NASBA on or after August 18, 2007 will be subject to a fee increase.

To insure that your authorization to test will be charged under the current fee structure, the exam application and all supporting documents must be received by the Oregon Board of Accountancy **no later than August 1, 2007**.

The Oregon Board of Accountancy cannot guarantee that applications received after August 1, 2007 will be processed and submitted to NASBA before August 18, 2007.

CPA Exam Fee Schedule

| <u>ATT's submitted PRIOR to August 18, 2007</u> | <u>ATT's submitted AFTER August 18, 2007</u> |
|--|---|
| AUD = 187.00 | AUD = 209.33 |
| FAR = 175.44 | FAR = 197.40 |
| REG = 152.33 | REG = 173.55 |
| BEC = 140.78 | BEC = 161.63 |
| Total: 655.55 | Total: 741.91 |

New Law Passed

SB 748 was passed during the 74th Legislative Assembly. The bill authorizes certified public accountants and public accounting firms who are licensed in another state to prepare tax returns for Oregon clients without obtaining a license or registration in Oregon, so long as the licensed certified public accountant or public accounting firm does not maintain an office in Oregon. The bill also allows the licensed certified public accountant or public accounting firm to use the title "Certified Public Accountant" or abbreviation "CPA" in connection with provision of tax services as described.

Certified public accountants and public accounting firms who will be performing attest functions for Oregon clients will need to maintain a license or registration in Oregon.

Board Members

Lynn Klimowicz, CPA, Chair
Slight, Klimowicz & Friel PC
PO Box 1819
Roseburg, OR 97470

Kent Bailey, CPA, Vice-Chair
Guyer Lindley Bailey & Martin CPAs PC
2790 Main St
Baker City, OR 97814

Jens Andersen, CPA, Treasurer
Jones & Roth PC
PO Box 10086
Eugene, OR 97440

Stuart Morris, PA
5922 NE Sandy Blvd
Portland, OR 97213

Eric Lind, Public Member
Umpqua Bank
675 Oak St #350
Eugene, OR 97401

James Gaffney, CPA
Moss Adams LLP
805 SW Broadway #1200
Portland, OR 97205

Raymond N. Johnson, CPA
Portland State University
PO Box 751
Portland OR 97207-0751

2007 Board Meeting Schedule
August 6 – Salem
October 7-8 – Gleneden Beach
December 10 – Salem

Meetings of the Board are open to the public.
Unless otherwise noted, meetings begin at 9:00 a.m.

New CPA Licenses Issued June 1 – July 3, 2007 Congratulations!

Barager, Patricia
Cathcart, Timothy
Chase, Derek
Chatard, Erin
Christensen, Dane
Cornacchia,
Makenzie
Crawford, Amy
Davidson, Martin
DeMontigny, Mia
Edgecomb, Erica
Eichelman, Andrew
Elkins, Boyd
Era, Kohtaro
Erz, Kathryn
Freese, Paul
Glenn, Ryan

Hall, Brian
Harnsberger, Arin
Haugen, Gunnar
Holoubek, Andrew
Huang, Su-Wei
Huang, Yun-Pin
Huber, Jill Marie
Keller, William
Kennard, Jeffrey
Khamnayeve, Oksana
Kunkler, Andrew
Li, Meizi
Majewski, Christophe
Meyer, Donald Corey
Miller, Tina
Monahan, Theresa
Moran, Amy Louise

Morey, Eric
Oksen, Dawna
Parker, Kathryn
Pritiskutch, Janet
Reiser, Laura
Russell, F. Christian
Schiff, H. Gerald
Snyder, Sara
Spencer, Paul
Tormohlen, Jennifer
Ubierno, Maurici
VanHoesen, Gregory
VanNatta, Sara Lynne
Vaught, Ronald
Welch, Lindsay
Yuen, Susan Lee

License Reinstatements

The following individuals reinstated their Oregon CPA license.

To Active Status

Marne A Anderson

Mark A Gassaway

Kenji Kobayashi

Elizabeth M Schmurr

Rodney W Wells

Katherine Bingenheimer

Janice M Herricks

Mark D Long

Craig Alan Smith

Susan Yarabinec

Elizabeth Abbott Debarro

Michael Robert Huffman

Douglas E Rebok

Linda Anne Spangler

To Inactive Status

Ellyn M McNeil

Colleen A Yoshihara

DISCIPLINARY ACTIONS

Disclaimer: It is the Board's policy to publish the name of each licensee who is disciplined for violations of Board statutes and rules. The Board frequently settles matters with a Consent Order to avoid litigation costs. Disciplinary orders are public information and copies may be obtained by contacting the Board office. Every effort has been made to ensure that the following information is correct; however it should not be relied upon without verification from the Board office.

Talbot Korvola & Warwick LLP: Consent Order assessing civil penalty of \$3,000 in resolution of disputed material issues.

PKF, A Professional Corporation: Final Order assessing a \$12,000 civil penalty for violations of OAR 801-010-0345(1) performing audit services without firm registration; ORS 673.320(4) Holding out; ORS 673.320(1) issuing audit reports without firm registration.

Gerry McReynolds (non-licensee) dba Pacific Tax Services: Order to Cease & Desist and \$10,000 civil penalty for violation of: ORS 673.320(1) and 673.160, performed unlicensed compilation services and issued compilation reports on financial statements; ORS 673.320(1), issued compilation reports on financial statements using language that is reserved for use by licensed certified public accountants and licensed public accountants; ORS 673.325, did not use the statement described that is allowed for use by individuals or business organizations who are not licensed under ORS Chapter 673.

Jiryis Alyateem dba US Tax Service: Consent Order assessing civil penalty of \$100 for violation of OAR 801-030-0020(4): Use of plural "Accountants" on an advertising flyer.

David T. Wilson, CPA: Final Order assessing a \$6,000 civil penalty for violation of: OAR 801-030-0015(2)(b) Client records and working papers; OAR 801-030-0020(1) Professional misconduct; OAR 801-030-0020(7) failure to respond to Board communications and investigations.

Bill Wily, (non-licensee) dba General Business Solutions: Issued a Cease and Desist Order and assessed a \$6,000 civil penalty for offering or performing compilation services and issuing compilation reports on financial statements, in violation ORS 673.320.

Terri Cook CPA: Final Order assessing a \$500 civil penalty for violation of ORS 673.320(3), use of the CPA designation without a permit.

Angela K. Gore CPA: Final Order assessing a \$1,000 civil penalty for violation of ORS 673.320(3), use of the CPA designation without an Oregon permit.