



---

**TELECONFERENCE/VIRTUAL  
ACCOUNTING EXAMINING BOARD  
Room 121A, 1400 East Washington Avenue, Madison  
Contact: Erin Karow (608) 266-2112  
June 15, 2018**

*The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.*

**AGENDA**

**9:30 A.M.**

**OPEN SESSION – CALL TO ORDER – ROLL CALL**

**A. Adoption of Agenda (1-3)**

**B. Approval of the Minutes of May 10, 2018 (4-6)**

**C. Administrative Matters – Discussion and Consideration**

1. Staff Updates
2. Department Updates
3. Board Members – Term Expiration Dates
  - a. Joseph Braunger – 7/1/2017
  - b. Todd C. Craft – 7/1/2020
  - c. Gerald E. Denor – 7/1/2017
  - d. Kathleen J. LaBrake – 7/1/2018
  - e. Glenn Michaelsen – 7/1/2017
  - f. John Scheid – 7/1/2019

**D. Legislative and Administrative Rule Matters – Discussion and Consideration (7-9)**

1. Scope Statement for Accy 2 and 7, Relating to Continuing Education
2. Update on Legislation and Pending or Possible Rulemaking Projects

**E. Speaking Engagement(s), Travel, or Public Relation Request(s)**

**F. Deliberation on Items Added After Preparation of Agenda:**

1. Introductions, Announcements and Recognition
2. Election of Officers
3. Appointment of Liaison(s) and Alternates
4. Delegation of Authorities
5. Administrative Matters
6. Education and Examination Matters
7. Credentialing Matters
8. Practice Matters
9. Legislative/Administrative Rule Matters

10. Liaison Reports
11. Board Liaison Training and Appointment of Mentors
12. Informational Items
13. Division of Legal Services and Compliance (DLSC) Matters
14. Presentations of Petitions for Summary Suspension
15. Petitions for Designation of Hearing Examiner
16. Presentation of Stipulations, Final Decisions and Orders
17. Presentation of Stipulations and Interim Orders
18. Presentation of Proposed Final Decision and Orders
19. Presentation of Interim Orders
20. Petitions for Re-Hearing
21. Petitions for Assessments
22. Petitions to Vacate Orders
23. Requests for Disciplinary Proceeding Presentations
24. Motions
25. Petitions
26. Appearances from Requests Received or Renewed
27. Speaking Engagement(s), Travel, or Public Relation Request(s)

#### G. Public Comments

**CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).**

#### H. Deliberation on Division of Legal Services and Compliance (DLSC) Matters – Discussion and Consideration

1. **Proposed Stipulations, Final Decisions and Orders**
  - a. 15 ACC 032 – G.T., LLP **(10-15)**
  - b. 15 ACC 032 – M.K.K. **(16-21)**
2. **Case Closures**
  - a. 15 ACC 032 – J.R. **(22-27)**
  - b. 17 ACC 002 – G.M., D.K., M CPAs, LLP **(28-34)**

#### I. Proposed Final Decisions and Orders

1. Kevin A. Pettit, Respondent (DHA Case Number SPS-18-000116/DLSC Case Number 16 ACC 006) **(35-44)**

#### J. Consulting with Legal Counsel

#### K. Deliberation of Items Added After Preparation of the Agenda

1. Education and Examination Matters
2. Credentialing Matters
3. DLSC Matters
4. Monitoring Matters
5. Professional Assistance Procedure (PAP) Matters
6. Petitions for Summary Suspensions
7. Petitions for Designation of Hearing Examiner
8. Stipulations, Final Decisions and Order
9. Proposed Interim Orders

10. Administrative Warnings
11. Review of Administrative Warnings
12. Proposed Final Decision and Orders
13. Matters Relating to Costs/Orders Fixing Costs
14. Case Closings
15. Board Liaison Training
16. Petitions for Assessments and Evaluations
17. Petitions to Vacate Orders
18. Remedial Education Cases
19. Motions
20. Petitions for Re-Hearing
21. Appearances from Requests Received or Renewed

**RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION**

**L. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate**

M. Open Session Items Noticed Above Not Completed in the Initial Open Session

**ADJOURNMENT**

**NEXT MEETING DATE: AUGUST 9, 2018**

\*\*\*\*\*  
MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED  
WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 1400 East Washington Avenue, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board's agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Interpreters for the hearing impaired provided upon request by contacting the Affirmative Action Officer, 608-266-2112.

**ACCOUNTING EXAMINING BOARD  
MEETING MINUTES  
May 10, 2018**

**PRESENT:** Todd C. Craft (*via GoToMeeting*), Gerald Denor (*via GoToMeeting*), Glenn Michaelsen, and John Scheid

**EXCUSED:** Joseph Braunger and Kathleen LaBrake

**STAFF:** Erin Karow, Executive Director; Kate Stolarzyk, Bureau Assistant; and other DSPS Staff

**CALL TO ORDER**

John Scheid, Board Chair, called the meeting to order at 9:00 a.m. A quorum of four (4) members was confirmed.

**ADOPTION OF AGENDA**

**Amendments to the Agenda**

- Remove item L. “Proposed Final Decisions and Orders” including item L.1. “Kevin A. Pettit, Respondent (DHA Case Number SPS-19-000116/DLSC Case Number 16 ACC 006)

**MOTION:** Gerald Denor moved, seconded by Glenn Michaelsen, to adopt the agenda as amended. Motion carried unanimously.

**APPROVAL OF MINUTES OF**

**MOTION:** Todd C. Craft moved, seconded by Gerald Denor, to approve the minutes of February 8, 2018 as published. Motion carried unanimously.

**LEGISLATIVE AND ADMINISTRATIVE RULE MATTERS**

**Update on Legislation and Pending or Possible Rulemaking Projects**

**MOTION:** Glenn Michaelsen moved, seconded by Gerald Denor, to request DSPS staff draft a Scope Statement relating to continuing education requirements. Motion carried unanimously.

## **CREDENTIALING MATTERS**

### **Review of Request for Course Equivalency from the University of Wisconsin-Milwaukee**

**MOTION:** Gerald Denor moved, seconded by Glenn Michaelsen, to approve the request for course equivalency from the University of Wisconsin-Milwaukee. The Board has reviewed the request per Wis. Admin. Code Ch. Accy 2.202(4) and Ch. Accy 2.303(2) and determined that the courses are reasonably equivalent to the course content and semester hours requirements per Wis. Admin. Code Ch. Accy 2.202(3). Motion carried unanimously.

### **CLOSED SESSION**

**MOTION:** John Scheid moved, seconded by Glenn Michaelsen, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). The Chair, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Todd Craft-yes; Gerald Denor-yes; Glenn Michaelsen-yes and John Scheid-yes. Motion carried unanimously.

The meeting convened to Closed Session at 11:04 a.m.

### **RECONVENE TO OPEN SESSION**

**MOTION:** Glenn moved, seconded by John, to reconvene into open session. Motion carried unanimously.

The meeting reconvened into Open Session at 11:36 a.m.

### **VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION**

**MOTION:** Glenn moved, seconded by Todd, to affirm all votes made in closed session. Motion carried unanimously.

*(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)*

## **CREDENTIALING MATTERS**

### **Application Reviews**

#### ***Xiaomei Sun – Experience Review and Foreign Education***

**MOTION:** Gerald Denor moved, seconded by Glenn Michaelsen, to table the application of Xiaomei Sun and request additional information relating to experience per Wis. Admin. Code Ch. Accy 2.401. Motion carried unanimously.

#### **REVIEW OF CONVICTION AND PREVIOUS LICENSE REVOCATION FOR JON NEAL #633141**

**MOTION:** John Scheid moved, seconded by Todd C. Craft, to table the application of Jon Neal and request additional information demonstrating the applicant has completed current sentencing requirements. Motion carried unanimously.

#### **ADJOURNMENT**

**MOTION:** Gerald Denor moved, seconded by John Schied, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 11:37 a.m.

**State of Wisconsin  
Department of Safety & Professional Services**

**AGENDA REQUEST FORM**

<b>1) Name and Title of Person Submitting the Request:</b>  <b>Dale Kleven</b> <b>Administrative Rules Coordinator</b>		<b>2) Date When Request Submitted:</b>  <b>6/5/18</b> <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date:              ▪ 8 business days before the meeting</small>	
<b>3) Name of Board, Committee, Council, Sections:</b>  <b>Accounting Examining Board</b>			
<b>4) Meeting Date:</b>  <b>6/15/18</b>	<b>5) Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b> <b>Legislation and Rule Matters – Discussion and Consideration</b> <b>1. Scope Statement for Accy 2 and 7 Relating to Continuing Education</b> <b>2. Update on Pending Legislation and Pending and Possible Rulemaking Projects</b>	
<b>7) Place Item in:</b> <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both		<b>8) Is an appearance before the Board being scheduled?</b>  <input type="checkbox"/> Yes ( <a href="#">Fill out Board Appearance Request</a> ) <input checked="" type="checkbox"/> No	<b>9) Name of Case Advisor(s), if required:</b>
<b>10) Describe the issue and action that should be addressed:</b>			
<b>11) Authorization</b>  <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 45%;"><i><b>Dale Kleven</b></i></div> <div style="width: 45%;"><i><b>June 5, 2018</b></i></div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Signature of person making this request</div> <div>Date</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Supervisor (if required)</div> <div>Date</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div>Executive Director signature (indicates approval to add post agenda deadline item to agenda)</div> <div>Date</div> </div>			
<b>Directions for including supporting documents:</b> 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

# STATEMENT OF SCOPE

## Accounting Examining Board

Rule No.: Chapters Accy 2 and 7

Relating to: Continuing education

Rule Type: Permanent

### 1. Finding/nature of emergency (Emergency Rule only):

N/A

### 2. Detailed description of the objective of the proposed rule:

The Accounting Examining Board will, as required by 2017 Wisconsin Act 88, establish continuing education requirements for renewal of a license to practice as a certified public accountant in Wisconsin.

### 3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

Current rules do not require continuing education for renewal of a license to practice as a certified public accountant in Wisconsin. The proposed rules will create ch. Accy 7 and revise ch. Accy 2 to establish continuing education requirements for the renewal and reinstatement of a license to practice as a certified public accountant in Wisconsin.

The alternatives of either partially updating or not updating these rules would be less beneficial to affected entities.

### 4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

Section 15.08 (5) (b), Stats., provides an examining board “shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . . .”

Section 227.11 (2) (a), Stats., provides “[e]ach agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute . . . .”

Section 227.11 (2) (d), Stats., provides “[a]n agency may promulgate rules implementing or interpreting a statute that it will enforce or administer after publication of the statute but prior to the statute’s effective date. A rule promulgated under this paragraph may not take effect prior to the effective date of the statute that it implements or interprets.”

Section 442.083 (2) (a), Stats., as created by 2017 Wisconsin Act 88 effective December 15, 2019, provides the Accounting Examining Board “shall promulgate rules establishing continuing education requirements for renewal of licenses granted to individuals under this chapter. The rules promulgated under this paragraph may not require an individual to complete more than 80 continuing education credits during the 2-year period immediately preceding the renewal date specified under s. 440.08 (2) (a).”

A significant portion of the Board’s administrative responsibilities regarding 2017 Wisconsin Act 88 is, to the extent possible, provide advance guidance to stakeholders as to how the continuing education requirements will affect them. As the continuing education requirements provided under 2017 Wisconsin Act 88 must be established by rule, effective administration of the Act requires the Board have a rule finalized and available to stakeholders prior to the December 15, 2019 effective date of the requirements.



Beginning the rules promulgation after the statute's effective date of December 15, 2019, will lead to uncertainty about the continuing education requirement for the majority of the renewal period in which the continuing education requirement is in effect. Stakeholders will not know which courses fulfill the continuing education requirement until rules are promulgated. Under the authority provided in ss. 15.08 (5) (b) and 227.11 (2) (a) and (d), Stats., and as explicitly required by 2017 Wisconsin Act 88, the Board will promulgate rules with an effective date of December 15, 2019, to establish continuing education requirements for renewal of a license to practice as a certified public accountant in Wisconsin.

**5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:**

State employees will spend approximately 120 hours developing the proposed rule.

**6. List with description of all entities that may be affected by the proposed rule:**

Individuals licensed to practice as a certified public accountant in Wisconsin and providers of continuing education related to the practice of certified public accountants

**7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:**

None.

**8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):**

The proposed rule will have minimal to no economic impact on small businesses and the state's economy as a whole.

**Contact Person:** Dale Kleven, (608) 261-4472, DSPSAdminRules@wisconsin.gov

Approved for publication:

Approved for implementation:

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date Approved

\_\_\_\_\_  
Date Approved