

**MEETING MINUTES**  
**North Dakota State Board of Accountancy**  
**April 22, 2022 10:00 AM**  
**Via Conference Call**

The meeting was called to order by President Patrick Kautzman at 10:00 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Patrick Kautzman, President  
Laura Adair, Secretary  
Mike Schmitz, Board Member  
Sheri Erickson, Board Member  
David Holt, Board Member

Mandy Harlow, Executive Director  
Pene DeMaster, Board Staff  
Anniqne M. Lockard, Assistant Attorney General

**1. Disciplinary Cases - Executive Session N.D.C.C. 44-04-19.1**

Members of the public were asked to leave the meeting. The parties involved in the complaint remained in the meeting to make remarks and left so the board could deliberate. The board entered executive session at 10:03 am.

The board left executive session at 10:53 am

**2. Minutes (January 27)** Motion to approve the January 27 minutes. [Motion: Schmitz; 2nd Holt; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**3. Financial Report (January 1 – March 31, 2022)**

**a. Approve disbursements (January 1 – March 31, 2022)** Motion to approve disbursements and financial statements: (January 1 – March 31, 2022). [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**b. financial oversight update (Secretary):** Laura reported that the financials looked reasonable.

**c. Bank of North Dakota Update –** Due to North Dakota State Board of Accountancy statute the Bank of North Dakota account must remain open. The North Dakota State Board of Accountancy is now using authorize.net as the credit card processing company for renewals and applications.

**4. Budget**

**a. Budget Approval and Staff compensation** Motion to approve the budget with a change in decreasing staff compensation by \$2,000. Motion: Schmitz; 2nd Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**5. Rule Change**

**a. TK request** Discussion- A request was made by a licensee to speak at the July meeting regarding state ESOP ownership in the North Dakota State Board of Accountancy Law and Rule. This will cause the North Dakota State Board of Accountancy to initiate a Law and Rule change. Other Law and Rule potential changes include allowing exam candidates to sit at 120 credits rather than 150 credits and the ability to perform background checks on initial candidate applications and all licensee reinstatements.

**6. State Board Appointment** Discussion- The Society meeting is May 3<sup>rd</sup> to make nominations for North Dakota State Board of Accountancy appointment. Laura Adair would be up and is interested in re-upping for a second term. Sheri plans to retire and is potentially moving out of state. This would mean she would no longer be eligible for board appointment. The North Dakota State Board of Accountancy would be considering looking at the Education, Industry or Audit sector for her replacement.

**7. Other Business**

**Extension Requests** Motion to approve extension requests [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**Reinstatement Requests** Motion to approve reinstatements for Shengzi Li and Brett Ehrhardt [Motion: Erickson; 2<sup>nd</sup> Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**Special Requests** There were no special requests.

**Exam Applications – ratify January 1, 2022, to March 31, 2022,** Motion to ratify new exam applications January 1, 2022, to March 31, 2022. [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**New Licensees - ratify January 1, 2022, to March 31, 2022,** Motion to ratify New Licensees January 1, 2022, to March 31, 2022. [Motion: Erickson; 2<sup>nd</sup> Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) (y)]

**Miscellaneous** None

**8. Complaints**

Investigations – Executive Session N.D.C.C. 43-02.2-10

Members of the public were asked to leave the meeting. The board entered executive session at 11:45 am.

The board left executive session at 12:10 pm.

Disciplinary Cases – Potential Executive Session N.D.C.C. 44-04-19.1- None discussed.

2021-1 Motion to issue settlement agreement with licensee to immediately stop holding out as a CPA and provide proof that the licensee has engaged someone to take the business sign down within 30 days. If not completed within the 30 days, the board may take further action [Motion: Schmitz; 2<sup>nd</sup> Holt; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

2021-19 Motion that Mandy will send a letter on behalf of the North Dakota State Board of Accountancy to the licensee informing him that he is violation of AICPA code of ethics by not providing predecessor audit documents to the successor auditor [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

Motion to table the original complaint until peer review report is issued by the AICPA. [Motion: MS; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

2022-1 Motion to offer a settlement agreement stating reinstatement is available after all requirements are met. [Motion: Holt; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

2022-2 Licensee paid the fine. This case is closed.

**9. Adjourn 12:31 PM**

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Secretary

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Date

**MEETING MINUTES**  
**North Dakota State Board of Accountancy**  
**January 27, 2022 10:00 AM**  
**Via Conference Call**

The meeting was called to order by President Patrick Kautzman at 10:00 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Patrick Kautzman, President  
Laura Adair, Secretary  
Mike Schmitz, Board Member  
Sheri Erickson, Board Member  
David Holt, Board Member

Mandy Harlow, Executive Director  
Pene DeMaster, Board Staff  
Anniue M. Lockard, Assistant Attorney General

**1. Minutes (November 5, 2021)** Motion to approve the November 5, 2021 minutes. [Motion: Schmitz; 2nd Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**2. Financial Report (October 1 – December 31)**

**a. Approve disbursements (October 1 – December 31)** Motion to approve disbursements and financial statements: (October 1 – December 31). [Motion: Schmitz; 2nd Holt; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**b. Financial oversight update (Secretary):** Laura reported that the financials looked appropriate.

**c. Bank of North Dakota -** Motion to detach the credit card account from Bank of North Dakota and close the credit card account. The checking account will remain open. [Motion: Schmitz; 2nd Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

Motion to amend agenda to allow parties of complaint to be heard. [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**3. Complaints**

**Investigations - Executive Session N.D.C.C. 43-02.2-10**

Members of the public were asked to leave the meeting. Parties involved in the complaint remained in the meeting to make remarks and were asked to leave so the board could deliberate. The board entered executive session at 10:11 am

The board left executive session at 10:34 am

**Disciplinary Cases - Potential Executive Session N.D.C.C. 44-04-19.1- None discussed.**

2021-19 Motion to table case 2021-19 upon further investigation. [Motion: Holt; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**4. CPE Audit.** A CPA selected for the 2022 random audit failed to report any evidence of completion for the CPE reported on his license renewal form. Motion to suspend the CPA's license for 60 days and require evidence of CPE courses reported or within that time period. If documentation is not provided to the board within 60 days his license may be subject to be revoked and /or fine up to \$1,000.00. [Motion: Schmitz; 2<sup>nd</sup> Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**5. Peer Review completion and follow up:** The board reviewed peer review reports for those that were a fail or pass with deficiency. Motion to fine McKenna & Assoc \$250 for submitting peer review report late (the firm was not granted an extension by the AICPA. There was no reasonable cause for the late submission. [Motion: Schmitz; 2<sup>nd</sup> Holt; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**6. State Board Appointment** Motion to submit Laura Adair, CPA, Lisa Giese, CPA, Brian Peterson, CPA, and Craig Hashbarger, CPA, to the governor for consideration of board appointment starting Jul y1, 2022. [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**7. Candidates and Licensees**

**a. Reinstatement Requests** Motion to approve reinstatements [Motion: Schmitz; 2<sup>nd</sup> Holt; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**b. Special Requests** Motion to approve special application issues [Motion: Holt; 2<sup>nd</sup> Schmitz; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)] Motion to approve testing accommodation [Motion: Erickson; 2<sup>nd</sup> Adair; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**c. Exam Applications – ratify October 22, 2021, to December 31, 2021,** Motion to ratify new exam applications [Motion: Holt; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**d. New Licensees - ratify October 22, 2021, to December 31, 2021,** Motion to ratify New Licensees [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

**8. Other business**

**a. Software update** Mandy reported that the new software is now live. Office staff is testing the system and hope to go live with candidates and licensees within the next week or two.

**b. Compensation Comparison – Sheri:** She reported her findings of comparative salary from the OMB.

**c. HR Request-** Allowed to be heard in executive session

**d. Miscellaneous-** Quickbooks- Request to move from Sage accounting software to Quickbooks at the end of the fiscal year and allowing Ritter Adair to assist in the file migration. Motion to approve move from Sage to Quickbooks. [Motion: Schmitz; 2<sup>nd</sup> Erickson; unanimous]. [Roll call: Kautzman (y), Adair (y), Schmitz (y), Erickson (y) Holt (y)]

Nd.gov email addresses- Board members will let Pene know what their preferred email address is.

**9. Adjourn 11:29 AM**

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Secretary

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Date