

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

**In the Matter of
Boyer & Company
CPA Firm Permit No. 00157**

**STIPULATION AND
CONSENT ORDER
Board File 2019-443**

The Minnesota Board of Accountancy is authorized pursuant to Minn. Stat. §§ 214.10, 326A.02, subds. 4, 6, and 326A.08, subd. 1 (2019) to review complaints against certified public accountants and to take disciplinary action whenever appropriate.

The Board received information concerning Boyer & Company, 14500 Burnhaven Dr Ste 135, Burnsville, MN 55306 ("Respondent"). The Board's Complaint Committee reviewed that information.

It is hereby stipulated and agreed by Respondent and the Committee that without trial or adjudication:

1. For the purpose of this stipulation and consent order, Respondent waives all procedures and proceedings before the Board to which Respondent may be entitled under the United States and Minnesota constitutions, statutes, or the rules of the Board, including the right to dispute the allegations against Respondent and to dispute the appropriateness of discipline in a contested-case hearing pursuant to Minn. Stat. ch. 14 (2018), and to dispute any civil penalty imposed by this Stipulation. Respondent agrees that upon the *ex parte* application of the Committee, without notice to or appearance by Respondent, the Board may order the remedy specified in paragraph 7 below. Respondent waives the right to any judicial review of the order by appeal, by writ of certiorari, petition for review, or otherwise.

2. This stipulation shall constitute the entire record of the proceedings herein upon which the consent order is based.

3. In the event the Board in its discretion does not approve this stipulation and consent order or propose a lesser remedy than specified herein, this stipulation and consent order shall be null and void and shall not be used for any purpose by either party. If this stipulation and consent order is not approved and the Committee initiates a contested case hearing pursuant to Minn. Stat. ch. 14 (2018), Respondent agrees not to object to the Board hearing the case on the basis that the Board has become disqualified because of its review and consideration of this stipulation and consent order or of any records relating hereto.

FACTS

4. This stipulation and consent order is based upon the following facts. Respondent admits the facts referred to below and grants that the Board may, for the purpose of reviewing the record in paragraph 2 above, consider the following as true:

- a. The Board issued a Certified Public Accountant Firm Permit ("CPA Firm Permit") to Respondent on June 25, 1981; Respondent currently holds a CPA Firm Permit from the Board. Respondent is subject to the jurisdiction of the Board with respect to the matters referred to in this Stipulation and Consent Order.
- b. During a review of the system of quality control of Respondent's accounting and auditing practice for the period ending June 30, 2018, significant deficiencies were found, which resulted in a peer review rating of "fail". Specifically, the firm: accepted and continued to perform engagements in highly specialized industries in which it did not appear to have sufficient knowledge or expertise; did not properly use or fully complete standardized practice aids required by its quality control policies and procedures, which resulted in improper or incomplete risk assessments and a failure to perform

and sufficiently document procedures necessary to comply with professional standards including but not limited to the following:

(1) on an audit of a not-for-profit organization that required a compliance audit under the Single Audit Act, the firm did not identify and document the direct and material compliance requirements and perform certain compliance tests and test of controls unique to these engagement types.

(2) On an audit of a multi-family housing project subject to HUD audit requirements, the firm did not document direct and material compliance requirements and did not properly design its sampling approach, which resulted in insufficient testing.

(3) On an audit of non-carrying broker-dealer, the firm's engagement quality control review was not performed by a qualified reviewer. In addition, the firm's risk assessments and tests of key audit areas such as revenue were insufficient.

(4) on a review engagement, the firm did not sufficiently document analytical procedures and inquiries.

- c. Firm leadership did not take sufficient corrective actions to address findings of its internal monitoring program related to the improper or incomplete use of practice aids and insufficient audit documentation.

5. Respondent admits that the facts and conduct specified in paragraph 4 above constitute violations of Minn. Stat. § 326A.08, subd. 5(a)(1), (a)(7), and (a)(10) (2018) and Minn. R. 1105.5600, subp.1 (C)(6), and 1105.7800(A) and (F) (2019), are sufficient grounds for the remedy specified in paragraph 7 below, and that proof at hearing of any one or more of the allegations set forth would empower the Board to take disciplinary action pursuant to Minn. Stat. § 326A.08 (2018).

6. This stipulation and consent order shall not limit the authority of the Board to proceed against Respondent by appropriate means on the basis of any conduct justifying disciplinary action which occurred before or after the date of this stipulation and consent order and that is not directly related to the specific facts and circumstances set forth herein.

REMEDY

7. Upon this Stipulation and record, as set forth in paragraphs 2 and 4 above, and without any further notice of proceedings, the Committee and Respondent agree that the Board may, in its discretion, issue an order to Respondent requiring compliance with the following:

- a. Respondent's CPA Firm Permit is **CENSURED** and **REPRIMANDED**.
- b. Respondent shall pay to the Board a **CIVIL PENALTY** of one thousand dollars (\$1,000). Respondent shall submit to the Board payment of the civil penalty by check payable to the Board of Accountancy within sixty days of the Board's approval of this Stipulation and Consent Order.
- c. Respondent shall **CEASE AND DESIST** doing single audits and Employee Retirement Income Security Act (ERISA) audits.
- d. Respondent shall hire, at Respondent's expense, a reviewer to complete a pre-issuance review of the next HUD audit and broker-deal audit. The peer reviewer must be selected from peer reviewers approved by the American Institute of Certified Public Accountants, the Minnesota Society of Certified Public Accountants, or the Minnesota Association of Public Accountants. These pre-issuance reviews can be the same as those required by the firms' Report

Acceptance Body, the Minnesota Society of Certified Public Accountants to complete their peer review requirements. Respondent shall submit the required pre-issuance review to the Board by the date of issuance of the audit.

8. Respondent's representative hereby acknowledges that he or she has read, understands, and agrees to this stipulation and consent order and is freely and voluntarily signing the stipulation on behalf of Respondent without threat or promise by the Board or any of its members, employees, or agents. When signing the stipulation, Respondent acknowledges that he or she is fully aware that the stipulation and consent order must be approved by the Board. The Board may approve the stipulation and consent order as proposed, approve the order subject to specified change, or reject it. If the proposed changes are unacceptable to Respondent or the Board rejects the stipulation, it will be of no effect except as specified herein.

9. Under the Minnesota Government Data Practices Act, this Stipulation is classified as public data upon its issuance by the Board. Minn. Stat. § 13.41, subd. 5 (2018). All documents in the record shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minn. Stat. ch. 13 (2018). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein. A summary of this order will appear in the Board's newsletter. A summary will also be sent to the national discipline data bank pertaining to the practice of public accounting.

10. This stipulation contains the entire agreement between the parties. Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.

11. Respondent is aware that they may choose to be represented by legal counsel in this matter. Respondent knowingly waived legal representation.

12. If approved by the Board, a copy of this stipulation and consent order shall be served personally or by first class mail on Respondent. The order shall be effective and deemed issued when it is signed by the Board Chair or designee of the Chair.

13. Pursuant to Minn. Stat. § 16D.17 (2018), ninety days after the Board's approval of this Stipulation and Order, the Board may file and enforce any unpaid portion of the civil penalty imposed by this Order as a judgment against the Respondent in district court without further notice or additional proceedings.

14. Pursuant to Minn. Stat. § 16D.13 (2018), thirty days after the civil penalty imposed by paragraph 7(c) is due, simple interest computed in accordance with that section shall begin to accrue on the civil penalty.

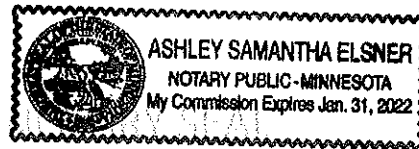
CONSENT:

RESPONDENT

Boyer Company
BOYER & COMPANY
By: Kelly Loose
Its: President
Dated: May 14, 2020

SUBSCRIBED and sworn to before me on this the 14 day of May, 2020.

Ashley Elsner
(Notary Public)



My Commission Expires: Jan. 31, 2022

COMPLAINT COMMITTEE

Sharon Jensen for Gregory Steiner
GREGORY STEINER, CPA

Chair

Dated: June 16, 2020

ORDER:

Upon consideration of the foregoing Stipulation and based upon all the files, records and proceedings, herein,

1. **IT IS HEREBY ORDERED** that this Stipulation and Consent Order are adopted and the remedies described in paragraph 7 therein are ordered this 16th day of June, 2020.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

Sharon Jensen
SHARON JENSEN, CPA
Chair

STATE OF MINNESOTA
MINNESOTA BOARD OF ACCOUNTANCY
85 East 7th Place, Suite 125
St. Paul, MN 55101

CERTIFICATE OF SERVICE BY U.S. MAIL

Case Title: Boyer & Company
File #2019-443

I, Jamie Eschbach, verify by oath or affirmation that on the 17th day of June, 2020, at the City of Saint Paul, in the county of Ramsey, in the State of Minnesota, served the Stipulation and Consent Order by depositing a true and correct copy in the United States mail, properly enveloped, with first class postage prepaid and addressed to the following named individual(s) or entities at the address indicated below.

Boyer & Company
Ms. Kelly Loose
14500 Burnhaven Dr Ste 135
Burnsville, MN 55306


Jamie Eschbach