

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

In the Matter of
Dennis Leroy Renner
CPA Certificate No. 18464

STIPULATION AND
CONSENT ORDER
Board File 2019-346

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minn. Stat. §§ 214.10, 326A.02, subds. 4, 6, and 326A.08, subd. 1 (2018) to review complaints against certified public accountants and to take disciplinary action whenever appropriate.

The Board received information concerning Dennis Leroy Renner, 109 2nd Street Northeast, Mason City, Iowa 50401 ("Respondent"). The Board's Complaint Committee ("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 and consent order. 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 certificate to Respondent on June 13, 1997; Respondent currently holds an active certified public accountant certificate 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. Respondent was disciplined by the American Institute of Certified Public Accountants ("AICPA") on February 12, 2018, for failing to comply with professional standards on an audit of an employee benefit plan for the year ended December 31, 2013. Specifically, the AICPA found prima facie evidence of violation of the *AICPA Code of Professional Conduct* section 1.300.001 Professional Competence, section 1.310.001 Compliance with Standards, 1.320.001 Accounting

Principles, and section 1.400.050 Failure to follow requirements of governmental bodies, commissions or other regulatory agencies.

- c. The AICPA found Respondent to be in violation of the *AICPA Code of Professional Conduct* section 1.300.001 Professional Competence, as he undertook an engagement he could not reasonably expect to complete in accordance with professional standards.
- d. The AICPA found Respondent to be in violation of the *AICPA Code of Professional Conduct* section 1.310.001 Compliance with Standards, as he failed to prepare audit documentation that would enable an experienced auditor, having no previous connection to the audit, to understand the procedures performed for all audit areas.
- e. The AICPA found Respondent to be in violation of the *AICPA Code of Professional Conduct* section 1.320.001 Accounting Principles, as the financial statements failed to include all the fair value disclosure required by FASB ASC 820, and the financial statements failed to disclose the net change in each significant type of investment.
- f. The AICPA found Respondent to be in violation of the *AICPA Code of Professional Conduct* section 1.400.050 Failure to follow requirements of governmental bodies, commissions or other regulatory agencies, as Schedule H, Line 4i - Schedule of Assets failed to indicate parties in interest and was not in the format prescribed by ERISA.

5. Respondent admits that the facts and conduct specified in paragraph 4 above constitute grounds for discipline under Minn. Stat. § 326A.08, subds. 5 (a)(1), 5

(a)(6), and 5(a)(10) (2018) and Minn. R. 1105.5600, subp. 1.C.(6) and 1.E., and 1105.7800 A. (2017), and are sufficient grounds under 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 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 certified public accountant certificate is **CENSURED** and **REPRIMANDED**.
- b. Respondent shall pay to the Board a **CIVIL PENALTY** of one thousand (\$1,000) dollars. 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** remain in compliance with all remedial requirements outlined in the AICPA order dated February 12, 2018, which is attached and incorporated by reference.

8. Respondent hereby acknowledges that he has read, understands, and agrees to this stipulation and consent order and is voluntarily signing the stipulation

without threat or promise by the Board or any of its members, employees, or agents. Respondent further acknowledges that he is aware that the stipulation and consent order must be approved by the Board. The Board may approve the stipulation and consent order as proposed, propose changes, or reject it. If the 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 will be 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 stipulation and consent 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 he 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 Minnesota Statutes Section 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.

CONSENT:

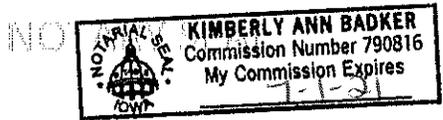
RESPONDENT

Dennis Leroy Renner
DENNIS LEROY RENNER, CPA

Dated: 11/04, 2019

SUBSCRIBED and sworn to before me on this the 4th day of November, 2019.

Kimberly Ann Badker
(Notary Public)



My Commission Expires: 7-1-21

COMPLAINT COMMITTEE

Sharon A. Jensen
SHARON A. JENSEN, CPA

Chair

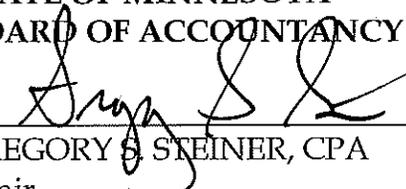
Dated: December 5, 2019

ORDER:

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

1. **IT IS HEREBY ORDERED** that all other terms of this Stipulation and Consent Order are adopted and implemented this 5 day of December, 2019.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY



GREGORY S. STEINER, CPA
Chair

**AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
DIVISION OF PROFESSIONAL ETHICS
NONNEGOTIABLE
SETTLEMENT AGREEMENT**

In the Matter of:

Dennis L. Renner, CPA

AUTHORITY

The Professional Ethics Executive Committee of the American Institute of Certified Public Accountants (AICPA) hereinafter called the Ethics Charging Authority (ECA), enters into this settlement agreement pursuant to the authority granted in the bylaws of that organization.

FINDINGS OF FACT/JURISDICTION

1. Mr. Renner is a member of the AICPA, and the ECA has jurisdiction in this matter.
2. Mr. Renner's address on the records of the AICPA is:

Renner & Birchem, P.C.
109 2nd Street NE
Mason City, IA 50401-3319

SPECIFIC CHARGES

1. The ECA has reviewed publicly available financial statements from the U.S. Department of Labor's Efast website for Comprehensive Systems, Inc. Excess Revenue Plan as of and for the year ended December 31, 2013 and concluded there may be departures from the AICPA *Code of Professional Conduct* with respect to Mr. Renner's performance of professional services on that audit.
2. The ECA informed Mr. Renner (a) of the rules of conduct that were the subject of the investigation, (b) his right to defer the investigation in the event the issues involved were concurrently the subject of litigation, and (c) that information arising from the investigation may form the basis for charges to be made against him.
3. The ECA has reviewed the publicly available information, the financial statements, certain workpapers, Mr. Renner's responses to the ECA's inquiries and other relevant documents Mr. Renner submitted to support his responses.

Based on this information, there appears to be prima facie evidence of violations by Mr. Renner of Rule 201 – General Standards A. *Professional Competence*, Rule 202 – Compliance with Standards, Rule 203 – Accounting Principles, and Rule 501, Interpretation 501-5 Failure to follow requirements of governmental bodies, commissions, or other regulatory agencies of the AICPA *Code of Professional Conduct* as follows:

Rule 201 – General Standards A. - Professional Competence

The auditor undertook an engagement he could not reasonably expect to complete in accordance with professional standards.

Rule 202 – Compliance with Standards

The auditor failed to prepare audit documentation that would enable an experienced auditor, having no previous connection to the audit, to understand the procedures performed for substantially all audit areas. (AU-C 230)

Rule 203 – Accounting Principles

1. The financial statements failed to include all the fair value disclosures required by FASB ASC 820.
2. The financial statements failed to disclose the net change in each significant type of investment. (FASB ASC 962-205-45-7)

Rule 501, Interpretation 501-5 – Failure to follow requirements of governmental bodies, commissions, or other regulatory agencies

The Schedule H, Line 4i – Schedule of Assets (Held at End of Year) failed to indicate parties in interest and was not in the format prescribed by ERISA. (29 CFR 2520.103-10)

AGREEMENT

In consideration of the ECA forgoing further investigation of Mr. Renner's conduct as described above, and in consideration of the ECA forgoing any further proceedings in the matter, Mr. Renner agrees as follows:

- a. To waive his rights to further investigation of this matter in accordance with the Joint Ethics Enforcement Program (JEEP) *Manual of Procedures*.
- b. To waive his rights to a hearing under AICPA bylaws section 7.4.
- c. To neither admit nor deny the above specified charges.
- d. To his admonishment by the AICPA.
- e. To comply immediately with professional standards applicable to the professional services he performs and to submit evidence of such compliance.
- f. To complete the following 30 hours of continuing professional education (CPE) courses within six months of the date he signs this letter and provide evidence of such completion (e.g., attendance sheets, course completion certificates, etc.).

Internal Control and Risk Assessment: Key Factors in a Successful Audit	10.0 hours
Audit Workpapers: Documenting and Reviewing Fieldwork	8.5 hours

GAAS: A Comprehensive Review for Auditors
Total

11.5 hours
30.0 hours

- g. To comply with directive e. above, he agrees to hire an outside party, acceptable to the ECA to perform a pre-issuance review of the reports, financial statements, and working papers on two audits performed by him during the one year period following the date the reviewer has been approved by the ECA. He must submit the names of the chosen reviewers to the ECA for approval no later than 30 days of the effective date of this agreement. Also, no later than 30 days after the effective date of this agreement, he must submit a list to the ECA of the audits on which he expects to issue reports in the upcoming 12 months from which the audits subject to preissuance review will be selected. The following information should be included regarding the engagements listed:

- anticipated number of total hours to be spent on the engagement;
- level of professional services to be rendered;
- his role and his anticipated hours on each engagement;
- type of organization; and
- whether it will be an initial engagement.

He agrees to permit the outside party to report quarterly to the ECA on his progress in complying with this agreement as stated herein to comply with professional standards. The report should include:

- the reviewer's comments in detail for each engagement (a report that omits such detail will be unacceptable);
- description of the nature of the entity reviewed;
- the entity's year end; and
- the date of the review.

The first report is due 120 days after the reviewer has been approved by the ECA, with subsequent reports due every 90 days thereafter. If none of the engagements selected for pre-issuance review were performed during a reporting period, he agrees to inform the ECA of such. He agrees to have this pre-issuance review performed at his expense. The ECA has the right to extend the period of time and number of engagements subject to pre-issuance review if there are deficiencies.

He agrees to inform the ECA of any changes in the composition of his practice, changes in his role, or if he has not performed any audits during the period he is subject to the pre-issuance reviews. If his practice changes and he is no longer involved with audits, no longer acts in a supervisory capacity on such engagements, or he has not performed such engagements during the above specified period, he must inform the ECA of this change and the ECA may require that he attest every six months for three years as to the nature of his practice. If, during the three-year attestation period he returns to performing such engagements, he must inform the ECA of this change and undergo the required pre-issuance reviews.

- h. To further comply with directive e., above, submit six months after completion of the pre-issuance reviews and CPE courses, a list of the highest level (audits, reviews, and compilations with note disclosures) of engagements that he performed in the six-month period following the date he completed the pre-issuance reviews and CPE courses. The following information should be included regarding the engagements listed:

- total hours spent on each engagement;
- his role and hours on each engagement;
- level of professional services rendered;
- type of report issued;
- type of organization; and
- whether it was an initial engagement.

The ECA will select one of these engagements for review. He will be informed of this selection and will be asked to submit information to include a copy of his report, the financial statements, and working papers related to that engagement for review by the ECA. The ECA may extend the period to select an engagement to ensure a suitable selection is available. A peer review undergone by his firm would not exempt him from this requirement.

He agrees to inform the ECA of any changes in the composition of his practice, changes in his role, or if he has not performed any audits, reviews, or compilations with note disclosures until a suitable work product is selected for review. If his practice changes and he is no longer involved with audits, reviews, or compilations with note disclosures, no longer acts in a supervisory capacity on such engagements, or he has not performed such engagements during the above specified period, he must inform the ECA of this change and the ECA may require that he attest every six months for three years as to the nature of his practice. If, during the three-year attestation period he returns to performing such engagements, he must inform the ECA of this change and the ECA will select a suitable work product for review.

After an initial review of such report, financial statements, and working papers, the ECA may decide he has substantially complied with professional standards and close this matter. Or, the ECA may decide that an ethics investigation of the engagement he submitted is warranted. If, at the conclusion of the investigation, the ECA finds that professional standards have in fact been violated, the ECA may refer the matter to the AICPA Joint Trial Board for a hearing or take such other action as it deems appropriate.

- i. To provide an attestation immediately, then every six months for a period of three years that he is no longer performing employee benefit plan audits. If he returns to performing such work, he agrees:

- i. To complete the following 22 hours of continuing professional education (CPE) courses prior to commencing such work and provide evidence of such completion (e.g., attendance sheets, course completion certificates, etc.).

Audits of 401(k) Plans	12.0 hours
Auditing Defined Contribution Retirement Plans	<u>10.0 hours</u>
Total	<u>22.0 hours</u>

- ii. To comply with directive e., above, he agrees to hire an outside party, acceptable to the ECA, to perform a pre-issuance review of the reports, financial statements, and working papers on all employee benefit plan audits performed by him for one year from the date the reviewer has been approved by the ECA. He must submit the names of the chosen reviewers to the ECA for approval no later than 30 days of the date he accepts such an engagement.

He agrees to permit the outside party to report quarterly to the ECA on his progress in complying with this agreement as stated herein to comply with professional standards. The report should include:

- the reviewer's comments in detail for each engagement (a report that omits such detail will be unacceptable);
- description of the nature of the entity reviewed;
- the entity's year end; and
- the date of the review.

The first report is due 120 days after the reviewer has been approved by the ECA with subsequent reports due every 90 days thereafter. If none of the engagements selected for pre-issuance review were performed during a reporting period, he agrees to inform the ECA of such. He agrees to have this pre-issuance review performed at his expense. The ECA has the right to extend the period of time and number of engagements subject to pre-issuance review if there are deficiencies.

He agrees to inform the ECA of any changes in the composition of his practice, changes in his role or if he has not performed any employee benefit plan audits during the period he is subject to the pre-issuance reviews. If his practice changes and he is no longer involved with employee benefit plan audits, no longer acts in a supervisory capacity on such engagements or he has not performed such engagements during the above specified period, he must inform the ECA of this change and the ECA may require that he attest every six months for three years as to the nature of his practice. If, during the three-year attestation period, he returns to performing such engagements, he must inform the ECA of this change and undergo the required pre-issuance reviews.

iii. To further comply with directive e., above, submit six- months after completion of the pre-issuance reviews, a list of the highest level (audits, reviews, and compilations with note disclosures) of engagements that he performed in the six-month period following the date he completed the pre-issuance reviews. The following information should be included regarding the engagements listed:

- total hours spent on each engagement;
- his role and hours on each engagement;
- level of professional services rendered;
- type of report issued;
- type of organization; and
- whether it was an initial engagement.

The ECA will select one of these engagements for review. He will be informed of this selection and will be asked to submit information to include a copy of his report, the financial statements, and working papers related to that engagement for review by the ECA. The ECA may extend the period to select an engagement to ensure a suitable selection is available. A peer review undergone by his firm would not exempt him from this requirement.

He agrees to inform the ECA of any changes in the composition of his practice, changes in his role or if he has not performed any audits, reviews, or compilations with note disclosures until a suitable work product is selected for review. If his practice changes and he is no longer involved with audits, reviews or compilations with note disclosures, no longer acts in a supervisory capacity on such engagements or he has not performed such engagements during the above specified period, he must inform the ECA of this change and the ECA may require that he attest every six months for three years as to the nature of his practice. If, during the three-year attestation period, he returns to performing such engagements, he must inform the ECA of this change and the ECA will select a suitable work product for review.

After an initial review of such report, financial statements, and working papers, the ECA may decide he has substantially complied with professional standards and close this matter. Or, the ECA may decide that an ethics investigation of the engagement he submitted is warranted. If, at the conclusion of the investigation, the ECA finds that professional standards have in fact been violated, the ECA may refer the matter to the AICPA Joint Trial Board for a hearing or take such other action as it deems appropriate.

- iv. To submit, within 30-days of accepting an employee benefit plan audit, evidence that his firm has submitted an application to join the Employee Benefit Plan Audit Quality Center. Upon membership in that Center, he agrees that his firm will comply with the directives of that Center.
- j. To be prohibited from performing peer reviews in any capacity until the above directives in this letter have been completed. This prohibition will remain in effect until the ECA determines that the work products he submitted to comply with directives h and i(iii), above, substantially comply with professional standards. This prohibition will be communicated to his peer review oversight agency.

If he is currently a peer reviewer, he should refer to peer review standards Interpretation 34-1 that provides that an individual may not serve as a peer reviewer if his ability to practice public accounting has been limited or restricted in any way by a regulatory body beginning on the date he is notified by the regulatory body of the limitation or restriction, until it has been removed. This interpretation will limit his ability to conduct peer reviews upon receipt of this letter. If he has questions about this standard, he can contact the peer review division at prptechnical@aicpa.org or 919-402-4502.

- k. To be prohibited from serving as a member of any ethics or peer review committee of the AICPA until he has completed all directives in this letter. This prohibition will be communicated to those responsible for appointments to such committees. In addition, if he applies to join any other committee of the AICPA, he must inform those responsible for such appointments of the results of this ethics investigation. This prohibition shall remain in effect until the ECA determines that the work products he submitted to comply with directives h and i(iii); above, substantially comply with professional standards.
- l. To be prohibited from teaching continuing professional education courses approved by the AICPA or the state CPA societies in accounting, auditing and employee benefit plans until he has completed all directives in this letter. This prohibition will be communicated to those responsible for engaging CPE instructors at the AICPA. This prohibition shall remain

in effect until the ECA determines that the work products he submitted to comply with directives h and i(iii), above, substantially comply with professional standards.

- m. That the ECA shall publish his name, the name of his firm, the charges, and the terms of this settlement agreement.
- n. That the ECA shall monitor his compliance with the terms of this settlement agreement and initiate an investigation where the ECA finds there has been noncompliance.

EFFECTIVE DATE

This agreement is effective on the latest date shown on the last page of this agreement.

AFFIDAVIT OF SERVICE BY MAIL

RE: Dennis Leroy Renner; CPA Certificate No. 18464

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Matt Kaehler, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 9th day of December, 2019, he served the attached Stipulation and Consent Order, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

Dennis Leroy Renner
109 2nd St NE
Mason City, IA 50401



Matt Kaehler

Subscribed and sworn to before me on
this the 9 day of December, 2019.



(Notary Public)

