

BEFORE THE ACCOUNTANCY EXAMINING BOARD
OF THE STATE OF IOWA

IN THE MATTER OF:

Jeffrey Scott Peters
Certificate #004846
Lemars, IA

Case No. 16-13

**COMBINED STATEMENT OF
CHARGES, SETTLEMENT
AGREEMENT, AND FINAL ORDER**

A. Statement of Charges

1. The Iowa Accountancy Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2015).

2. Respondent, Jeffrey Scott Peters, was issued Iowa CPA certificate number O04846 on the 30th day of January, 1984. Respondent's CPA certificate is currently active and will next expire the 30th day of June, 2017.

3. In June of 2016 the Board was notified by the American Institute of Certified Public Accountants (AICPA) of a settlement agreement (AICPA Settlement Agreement)¹ entered between AICPA and Respondent as a result of concerns surrounding Respondent's audit of the financial statements of a governmental entity. The AICPA's review found prima facie evidence of violations of applicable auditing standards.

4. Based on the foregoing, the Board charges Respondent with failing to comply with applicable auditing standards when developing, issuing, and documenting governmental audits in violation of Iowa Code section 542.10(1)(d) and 193A Iowa Administrative Code rules 13.1(4); 13.4(2)(b), (3), (5); 13.6(8); and 14.3(6) and (7)(a).

5. The Board and Respondent have agreed to fully resolve these charges through the following Settlement Agreement and Final Order, rather than proceed to contested case hearing.

B. Settlement Agreement and Final Order

1. Respondent does not admit the above-referenced allegations as set forth in the Statement of Charges, but does agree to the entry of this Settlement Agreement and Final Order (Agreement) as the resolution of a disputed matter.

2. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Agreement. This Agreement constitutes discipline against Respondent, and is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4. Respondent acknowledges he had an opportunity to review this

¹<http://www.aicpa.org/forthepublic/disciplinaryactions/2016/pages/petersjeffreys.aspx>.

Agreement with legal counsel before signing it, and did in fact review this Agreement with legal counsel before signing it.

3. This Agreement shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations.

4. Failure to comply with the provisions of this Agreement shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

5. The Agreement shall not preclude the Board from taking appropriate action in the event the Board receives any further complaints or information against Respondent.

6. This Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.

7. Respondent agrees the State's counsel may present this Agreement to the Board and may have ex parte communications with the Board while presenting it.

8. This Agreement is subject to approval of the Board: (a) If the Board fails to approve this Agreement, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter; (b) If the Board approves this Agreement, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. **Reprimand.** Respondent is reprimanded for failing to adhere to applicable auditing standards in his audit practice.

B. **Civil Penalty.** Respondent shall pay a civil penalty of \$1,000 within thirty days from the date this Agreement is signed by both parties.

C. **Pre-release/AICPA reviews.** Pursuant to the AICPA Settlement Agreement, Respondent agreed to hire an outside party to perform a pre-issuance review of the reports, financial statements, and working papers on five (5) engagements performed by him, as selected by the AICPA Ethics Charging Authority ("ECA"). In addition, Respondent agreed to submit to the ECA a copy of his report, the financial statements, and working papers related to one engagement for review by the ECA itself. The pre-issuance and ECA reviews—a total of six (6) reviews—shall be referred to collectively herein as the "Reviews."

1. With respect to each Review, Respondent shall provide the Board with the underlying report, financial statements, working papers, or other similar documentation related thereto at the same time he provides said documentation or the applicable Review-related documents themselves to the ECA, whichever occurs first. Respondent shall also provide the Board with

any Review-related documents, including but not limited to any peer-review reports or comments generated in connection with any Review, or other similar documentation within ten (10) days of providing or receiving said Review-related documents or other similar documentation to or from the ECA. Reviews previously provided to the ECA pursuant to the AICPA Settlement Agreement shall count as a review hereunder and shall be provided to the Board within ten (10) days of the Board's approval hereof.

2. A minimum of two (2) of the Reviews must be for a governmental audit.
3. This Agreement shall not preclude the Board from filing additional charges if one or more of the engagements subject to review or otherwise demonstrate probable cause to take such action. The Board may rely upon the reports from and/or written comments prepared by the reviewers utilized in connection with the Reviews, or the Board or its designated peer-reviewer may conduct its own inspection of any reports, records, or similar documentation as may be reasonably required to determine whether there is probable cause to take further action.

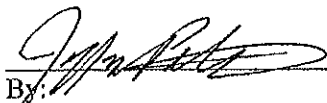
D. Education. Respondent has completed the 27 hours of professional education required by the AICPA Settlement Agreement and shall provide the Board with evidence of such completion.

E. Incorporation by Reference. The AICPA Consent Order is incorporated herein by reference and may be enforced by the Board to the extent necessary to ensure compliance therewith. Respondent's failure to comply with the terms of the AICPA Consent Order shall constitute a failure to comply with the provisions of this Agreement and shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a).

AGREED AND ACCEPTED:

The Respondents
Jeffrey Scott Peters, CPA, individual:

Iowa Accountancy Examining Board


By: _____


By: _____

By: Shelley Larocente, CPA, Chair

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5/2/17

1-26-17
Date

Date