


BEFORE THE ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA

  
\_\_\_\_\_  
Signature, Executive Officer

IN THE MATTER OF: ) Case Nos. 09-02 and 09-66  
)  
)  
Keith D. Oltrogge )  
Certificate # R02085 )  
Denver, IA )  
)  
and )  
)  
Keith-Oltrogge, CPA, PC )  
Permit # 2009-0551 )  
Denver, IA )  
)  
)  
Respondents. )

**COMBINED STATEMENT OF  
CHARGES AND CONSENT ORDER  
IN DISCIPLINARY CASE**

**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 (2009).
2. Respondent Keith D. Oltrogge was issued Iowa CPA certificate R02085 on April 21, 1976. Respondent's CPA certificate is currently active and will next expire on the 30<sup>th</sup> day of June, 2010. Respondent Keith Oltrogge, CPA, PC was issued Firm permit number 2009-0551 on July 7, 2009. The firm permit will expire June 30, 2010. Keith D. Oltrogge and Keith Oltrogge, CPA PC shall jointly be referred to as "Respondents."
3. In January 2009, the Board was notified by the Auditor of State of concerns with Respondents' performance of the June 30, 2007 audit of the Janesville Community School District. Two Auditor findings were particularly significant involving analytical procedures and audit documentation.
4. In October 2009, the Board was notified by the Auditor of State of concerns with Respondents' performance of the June 30, 2008 audit of the Dunkerton Community School District, especially relating to reporting revenue debt as general obligation debt, unreported issues with the District's levy and collection of property taxes for non-existent general obligation debt, and insufficient reporting on a refunded bond issue.
5. In light of the Auditor's referrals and the opinions of a Board retained peer reviewer, the Board has probable cause to charge Respondents with failure to comply with applicable Government Auditing Standards.

6. The Board charges Respondents with repeatedly failing to comply with applicable auditing standards when developing, issuing, and documenting governmental audits, in violation of Iowa Code sections 272C.10(2) and (3), 542.10(1)(b), (d), and (j) (2007, 2009) and 193A Iowa Administrative Code 13.4(1)-(5), and 14.2(1), (5), and (8) (2007-2009). The corresponding rules on grounds for discipline, as amended and currently in effect, include 193A Iowa Administrative Code 14.3(2)(e), 14.3(6)(a), and 14.3(7)(a).

7. Respondents do not admit the above referenced allegations as set forth in the Statement of Charges, but do agree to the entry of this Consent Order as the resolution of a disputed matter. Respondents have a right to a hearing on the charges, but waive their right to hearing and all attendant rights by freely and voluntarily entering into this Order. This Consent Order is the final agency order in a disciplinary contested case.

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

9. This Order, the Notice of Hearing and Statement of Charges, and the previously confidential Statement of Matters Asserted are public records available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2009).

10. Failure to comply with the provisions of this Order shall be grounds for disciplinary action pursuant to Iowa Code section 272C.3(2)(a)(2009). However, no action may be taken against Respondents for violations of these provisions without a hearing, or waiver of hearing.

11. This Order is subject to approval of the Board. If the Board fails to approve this Order, it shall be of no force or effect on any party, and it shall not be admissible for any purpose in further proceeding in this matter. If the Board approves this Order, it shall fully dispose of all issues in this case.

**IT IS THEREFORE ORDERED:**

**A. Reprimand** Respondents are reprimanded for failing to adhere to applicable standards in their audit practice.

**B. Probation and Desk Review**

1. Respondent Keith D. Oltrogge's CPA certificate and Respondent Keith Oltrogge, CPA, PC's firm permit to practice shall be placed on indefinite probationary status effective the day this Order is executed by all parties.

a. Respondents agree to retain, at their own expense, a Board approved desk reviewer for the purpose of reviewing Respondent's audit practice and individual audit engagements.

b. Respondents shall supply the Board with the engagement letter with the desk reviewer in advance of implementing their agreement. If not submitted to the Board by June 30, 2010, Respondents shall file a written verification with the Board that they are not performing audit services. Respondents shall not perform any attest services or attest-related peer review services from and after June 30, 2010, except in compliance with this Consent Order.

2. The following terms shall apply to the desk review:

- a. The first six (6) governmental audits (relating to Iowa governmental bodies) performed by Respondents after they have engaged an approved desk reviewer shall be subjected to desk review. As described below, the Board may order additional desk review if the reviews from the first six governmental audits do not demonstrate compliance with applicable audit standards.
- b. In addition to pre-release desk review of the six audits referenced above, the peer reviewer shall prepare a more general report for the Board and shall submit it to the Board no later than December 31, 2010. The report shall follow an on-site review (in the nature of a peer review) of Respondents' audit procedures, and shall include a review of the firm's policies and procedures, library and other resources, checklist procedures, work paper documentation and verification practices, and internal quality control systems, as such resources, procedures and systems relate to the firm's audit practice, with particular emphasis on governmental audits.
- c. Respondents shall submit to desk review for pre-release review all work-papers, reports, and related documents for the six audits referenced in subparagraph B(2)(a). Desk reviewer shall perform desk review of the work-papers, reports and related documents for the six audits referenced in subparagraph B(2)(a) above. The review shall be for facial compliance with minimum accounting and auditing standards. To aid the desk reviewer Respondents shall supply the reviewer all correspondence Respondents have received from the Iowa State Auditor's office in the past five years that in any way comment upon or critique Respondents' audit practices. Peer Reviewer shall not perform field work or warrant the accuracy of Respondents' work product, but will review work-papers, reports, internal control systems, and such additional documents as are reasonably needed.
- d. Desk reviewer shall prepare written comments on each of the six audit reports and work papers, and shall provide the reviewer's comments, work-papers, and notes simultaneously to Respondents and to the Board.
- e. The desk reviewer's recommended revisions or corrections, if any, shall be incorporated into each final audit prior to release of the report to the client or any third party. Respondents shall, as needed, submit a revised version of each

report to the desk reviewer for final approval prior to such release. If Respondents disagree with a recommended revision by the desk reviewer, they shall notify the Board in writing of the recommendation, their response, and the nature of the dispute.

- f. Within ten days of the issuance of each audit report, Respondents shall provide the Board a copy of the initial audit report as sent to the desk reviewer, the final audit report as issued to the client, all work papers, and any final desk review comments related to review of the final audit report. These documents do not need to be received by the Board prior to issuance of an audit report approved for release by Respondents' desk reviewer.
3. Upon completion of the review of the six audits by the desk reviewer, the completion of the on-site review of Respondents' audit practice, completion of the education described in section D, and the Board's receipt of all corresponding documentation, Respondents may file an application for release from probation. Respondents shall provide the Board with such access to firm records as is reasonably necessary to verify compliance with this Order.
  4. Respondents' application for release from probation shall comply with 193A Iowa Administrative Code 16.5 and 193 Iowa Administrative Code 7.38. The Board recognizes that 193 Iowa Administrative Code 7.30(3) is not applicable to this situation.
  5. The Board shall release Respondents from probation if they demonstrate full compliance with this Order; the general on-site review report verifies that appropriate policies and procedures are in place to address the allegations contained within the Statement of Charges and the correspondence sent to the Respondents by the Iowa State Auditor's office; and the audits released by Respondents demonstrate compliance with applicable accounting and auditing standards. The Board may rely upon the report from and/or written comments prepared by the desk reviewer or the Board may conduct its own inspection of records as may be reasonably required to assure future practices compliant with professional standards.
  6. The Board retains full discretion on whether and when to release Respondents from probation. With notice to and an opportunity for Respondents to object, the Board may modify the terms of probation upon a demonstrated basis for such action.
  7. Until released from probation Respondents shall not act as peer reviewer for CPA firms offering attest services. This Consent Order shall not preclude Respondents from acting as peer reviewer for individual CPAs or LPAs, or for CPA or LPA firms whose highest level of service is compilation. This Consent Order shall not preclude Respondents from acting as peer reviewer for CPA firms offering attest services outside the State of Iowa. This Consent Order also shall not prevent

Respondents from acting as peer reviewer for CPA firms offering attest services in the State of Iowa provided that: (1) such services are pursuant to an engagement letter signed and dated prior to the date of this Consent Order; (2) such services are not related to governmental audits; and (3) Respondents provide a copy of this Consent Order to such CPA firms.

8. This settlement and final Order shall not preclude the Board from filing additional charges if one or more of the audits subject to desk review or otherwise demonstrate probable cause to take such action. The Order shall also not preclude the Board from taking appropriate action in the event the Board receives any further complaints against either Respondent.

C. **Education** Respondent Keith Oltrogge shall complete 8 additional hours of continuing professional education specifically in the area of ethics and 24 additional hours of continuing professional education in governmental yellow book. The education must be complete prior to Respondents' release from probation and may not be used toward the continuing education required for certificate renewal

**AGREED AND ACCEPTED:**

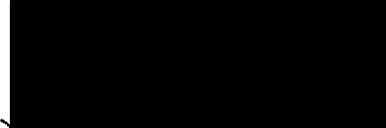
**The Respondents**



By Keith D. Oltrogge, CPA, individually  
and as managing officer for Keith Oltrogge,  
CPA, PC

6/9/10  
Date

**The Iowa Accountancy  
Examining Board**



By: Telford A. Lodden, CPA, Chair

6/17/10  
Date