

85-16

IOWA BOARD OF ACCOUNTANCY

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IN THE MATTER OF  
SCHOENAUER, MUSSER & COMPANY  
IOWA CPA FIRM PERMIT  
NO. 85-0110  
RESPONDENT

STIPULATION

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WHEREAS, certain matters have come to the attention of the Iowa Board of Accountancy which indicate that Schoenauer, Musser & Co. failed to use generally accepted auditing standards and generally accepted accounting principles in the preparation of financial statements; and

WHEREAS, the Iowa Board of Accountancy has caused this matter to be investigated by a certified public accountant who is independent of the Board; and

WHEREAS, following the investigation, Schoenauer, Musser & Co. was given the opportunity to appear voluntarily with legal counsel before the Board's Committee on Ethics and Enforcement to be apprised of the results of the investigation and to orally present additional data, views, and comments at an informal conference held on November 12, 1985; and

WHEREAS, Schoenauer, Musser & Company with full knowledge of the character of the investigation, its potential legal consequences, the right to counsel, and the right to a formal adjudicatory proceedings under section 116.23 of the Code of Iowa, did appear voluntarily;

NOW THEREFORE, the Iowa Board of Accountancy and Schoenauer, Musser & Company do hereby stipulate and agree as follows:

1. Schoenauer, Musser & Co. admits the jurisdiction of the Iowa Board of Accountancy over the persons and subject matter of this action.
2. Schoenauer, Musser & Co. will develop a consultant agreement with a firm or individual CPA, approved by the Iowa Board of Accountancy for the purpose of reviewing the quality control system of Schoenauer, Musser & Co. The name of the firm or individual selected will be submitted to the Iowa Board of Accountancy within seven (7) days.

The primary objective of the review will be to develop a quality control system that will pass a peer review.

Prior to the beginning of the review, a representative of Schoenauer, Musser & Co., along with the consultant will meet with a member of the Iowa Board of Accountancy and the Board's consultant to discuss the scope of the review.

The consultant, reviewing Schoenauer, Musser & Co. will submit a copy of the final report directly to the Iowa Board of Accountancy.

Upon receipt of the final report the Committee on Ethics and Enforcement will arrange a meeting with Schoenauer, Musser & Co. to determine what, if any, further action may be taken.

3. Schoenauer, Musser & Co. has been informed that as a part of this stipulation his name and a summary description of the sanctions imposed on him will be published in the Iowa Board of Accountancy Newsletter pursuant to 10.I.A.C. subsection 12.9(1).

4. Failure to execute the provisions of the stipulation shall result in the Board setting a date for a formal hearing on charges to be contained in a Notice of Hearing.

5. This stipulation is entered into by Schoenauer, Musser & Co. voluntarily and without coercion or threat of any kind by any person or body and Schoenauer, Musser & Co. fully realizes the legal consequences of this stipulation.

Dated this 9<sup>th</sup> day of December, 1985.



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(Pres)

(VP)

Schoenauer, Musser & Co.