

81-21

IN THE MATTER OF
RYUN, GIVENS AND COMPANY
IOWA C.P.A. PERMIT
NO. 87-0023,

CITATION AND
WARNING

RESPONDENTS.

WHEREAS, the Iowa Accountancy Examining Board has reviewed the the audit report on the Lazy Ike Corporation issued by Ryun, Givens and Company on July 31, 1978; and

WHEREAS, the Board has as a part of its investigation met with the Respondent and its legal counsel to review this matter at an informal discussion on July 8, 1987;

NOW THEREFORE, the Board concludes as follows:

1. The Respondent holds a current permit to practice certified public accountancy as a firm in Iowa, as evidenced by permit No. 87-0023.

2. The Respondent admits that the Iowa Accountancy Examining Board has jurisdiction in this matter.

3. The interim financial statements which Ryun, Givens and Company prepared were issued on plain paper, in violation of audit standards which were in effect at that time. See AU 516.04.

4. The audit review process was inadequate in that the audit work was not reviewed by another C.P.A. in the firm. In addition, work papers failed to fully document audit actions and policies.

5. Based on the information before it, the Board believes that minimum audit standards were adhered to by Respondents in performing this audit, but that there was a lack of audit judgment and curiosity regarding the unusual circumstances surrounding the Fairground Sporting Goods transaction. Of particular concern to the Board are the unique nature of the Fairgrounds account and sale and the impact of this sale on the net income of the corporation. While the audit procedures produced evidence which was competent, the evidence was not sufficient given the circumstances of the audit.

6. For these reasons, the Board concludes that disciplinary action is warranted. However, there has been a considerable passage of time since this audit was performed due to litigation. In addition, any questions regarding quality control that may have existed at the time the audit was performed appear to have been resolved, as evidenced by a successful peer review of the Respondent in 1985.

WHEREFORE, the Iowa Accountancy Examining Board warns the Respondent that the Board may restrict, suspend, or revoke a license to practice as a C.P.A. if the licensee violates a rule of professional conduct pursuant to Iowa Code section 116.21(4) (1987) and 10 Iowa Administrative Code chapter 11.

This citation and warning shall become a part of the Respondent's permanent record with the Iowa Accountancy Examining Board and is a public record.

Approved by:

[Redacted Signature]

Respondent

11-03-87

Date

[Redacted Signature]

Fred R. Schneider
Attorney for Respondent

11-03-87

Date

[Large Redacted Block]

11-12-87

Date

11-12-87

Date

11-12-87

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Date