



ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

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D. Boyd Busby, CPA
Executive Director

CERTIFIED MAIL 7020 1290 0001 5670 0794

February 8, 2024

Michael B Worrell
DiPiazza LaRocca Heeter & Co LLC
PO Box 530492
Birmingham AL 35252

RE: Worrell, Michael B., CPA
Certificate No. 1610
Case No. 23-13

Dear Michael Worrell:

Attached is an Order by the Alabama State Board of Public Accountancy ("the Board") dated January 23, 2024. The Order SUSPENDS your Alabama CPA Certificate No. 1610 and/or permit to practice, for no less than one (1) year, and requires the return of the suspended CPA Certificate to the Board. The reason for the suspension is for entering into a Settlement Agreement with the Professional Ethics Executive Committee of the American Institute of CPAs and the Alabama Society of CPAs Professional Ethics Committee (Ethics Charging Authority) for failing to complete an audit engagement that could not reasonably expect to complete with professional competence; the audit in question reflected a lack of due professional care and lacks sufficient relevant data; violated rule of professional conduct and conduct in general.

This Board action requires that you cease holding yourself out as a Certified Public Accountant and discontinue any practice of public accounting in the State of Alabama as a Certified Public Accountant for one (1) year. The Board Order also requires you provide proof of completion of the following to the Board:

- 1) Return of the suspended CPA Certificate (wall certificate). We respectfully request that you make a diligent search for the CPA Certificate and return it to the Board office by March 8, 2024.
- 2) Payment of fine of one thousand dollars (\$1,000.00) per count, for a total of five thousand dollars (\$5,000.00) by March 8, 2024. The fine can be paid by either cashier's check/money order payable to the Alabama State Board of Public Accountancy or you may pay online by using the following link, located on the Board's website, <https://appengine.egov.com/apps/al/asbpa/fines>.

If you have questions, please contact me at the number shown above.

Sincerely,

D. Boyd Busby, CPA
Executive Director

DBB/tt

Attachment

BEFORE THE ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

IN THE MATTER OF THE)
COMPLAINT AGAINST:)
MICHAEL B WORRELL, CPA) CASE NO. 23-13
CERTIFICATE NO. 1610)
RESPONDENT.)

ORDER

COMES NOW the Alabama State Board of Public Accountancy ("the Board"), and, following a full and fair hearing before the Board on January 23, 2024, at Troy University in Troy, Alabama, in the matter of the complaint against MICHAEL B WORRELL, CPA, Certificate No. 1610 makes the following Findings of Facts and Conclusions of Law in support of this Order.

FINDINGS OF FACT

1. Respondent, Michael B. Worrell, is a Certified Public Accountant in the State of Alabama and was so registered at all times relevant to this complaint.
2. The Respondent entered into a Settlement Agreement with the Professional Ethics Executive Committee of the American Institute of Certified Public Accounts (AICPA) and the Alabama Society of CPAs Professional Ethics Committee (Ethics Charging Authority or ECA), with an effective date of January 25, 2023. The ECA opened an investigation with respect to the Respondent's performance of professional services in the audit of the financial statements of O'Neil Transportation Services, Inc. as of and for the year ended December 31, 2017.
3. The report from the ECA, noted in the Settlement Agreement, found that the audit report submitted was inadequate in that it reflected a lack of the professional competence required of a certified public accountant. Also, the ECA found that the

Respondent committed acts discreditable to the profession by failing to adhere to an effective system of quality control. The Respondent agreed to his expulsion from membership in the AICPA and the Alabama Society of CPAs as included in the Settlement Agreement.

CONCLUSIONS OF LAW

COUNT ONE

The Board finds that the facts as established at the hearing and as outlined above constitute a violation of Sections 34-1-1, et seq., Code of Alabama 1975, as follows:

4. Paragraphs one through three are incorporated herein by reference.

5. Rule 30-X-6-.03(1)(a) of the Alabama State Board of Public Accountancy Administrative Code provides that a registered certified public accountant “shall undertake only those engagements which he or his firm can reasonably expect to complete with professional competence.”

6. By accepting the engagement to prepare the audit report in question, Respondent undertook an engagement that he could not reasonably expect to complete with professional competence.

7. Rule 30-X-6-.03(1)(a) is both a rule of professional conduct promulgated by the Board and a rule promulgated by the Board.

8. Pursuant to Code of Alabama 1975, § 34-1-12(a)(4), the Board may discipline a registered certified public accountant for a violation of a rule of professional conduct promulgated by the Board.

9. Pursuant to Code of Alabama 1975, § 34-1-12(a)(14), the Board may discipline a registered certified public accountant for a violation of a rule promulgated by the Board.

COUNT TWO

10. Paragraphs one through nine are incorporated herein by reference.

11. Rule 30-X-6-.03(1)(b) of the Alabama State Board of Public Accountancy Administrative Code provides that a registered certified public accountant “shall exercise due professional care in the performance of an engagement.”

12. The audit report in question reflected a lack of due professional care.

13. Rule 30-X-6-.03(1)(b) is both a rule of professional conduct promulgated by the Board and a rule promulgated by the Board.

14. Under Code of Alabama 1975, § 34-1-12(a)(4), the Board may discipline a registered certified public accountant for a violation of a rule of professional conduct promulgated by the Board.

15. Under Code of Alabama 1975, § 34-1-12(a)(14), the Board may discipline a registered certified public accountant for a violation of a rule promulgated by the Board.

COUNT THREE

16. Paragraphs one through fifteen are incorporated herein by reference. Rule 30-X-6-.03(1)(d) of the Alabama State Board of Public Accountancy Administrative Code provides that a registered certified public accountant “obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to an engagement.”

17. The audit report in question reflects a lack of sufficient relevant data.

18. Rule 30-X-6-.03(1)(d) is both a rule of professional conduct promulgated by the Board and a rule promulgated by the Board.

19. Under Code of Alabama 1975, § 34-1-12(a)(4), the Board may discipline a registered certified public accountant for a violation of a rule of professional conduct promulgated by the Board.

20. Under Code of Alabama 1975, § 34-1-12(a)(14), the Board may discipline a registered certified public accountant for a violation of a rule promulgated by the Board.

COUNT FOUR

21. Paragraphs one through twenty are incorporated herein by reference.

22. Rule 30-X-6-.03(3) of the Alabama State Board of Public Accountancy Administrative Code provides that:

A registrant shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such statements contain any departure from an accounting principle promulgated by the body designated by Council of the American Institute of Certified Public Accountants to establish such principles which has a material effect of the statements taken as a whole, unless he can demonstrate that due to unusual circumstances the financial statements would otherwise have been misleading. In such cases his report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

23. The audit report in question does not satisfy the requirements of Rule 30-X-6-.03(3).

24. Rule 30-X-6-.03(3) is both a rule of professional conduct promulgated by the Board and a rule promulgated by the Board.

25. Under Code of Alabama 1975, § 34-1-12(a)(4), the Board may discipline a registered certified public accountant for a violation of a rule of professional conduct promulgated by the Board.

26. Under Code of Alabama 1975, § 34-1-12(a)(14), the Board may discipline a registered certified public accountant for a violation of a rule promulgated by the Board.

COUNT FIVE

27. Paragraphs one through twenty-six are incorporated herein by reference.

28. The *Rules of Professional Conduct* governing the accounting profession, specifically Rule 30-X-6-.05(1) of the Alabama State Board of Public Accountancy Administrative Code, provides as follows:

Conduct in General. A Certified Public Accountant or Public Accountant shall conduct himself in a manner which will contribute to the honor and dignity of the State and the profession and shall not at any time commit an act or engage in any conduct discreditable to the public accounting profession.

29. Rule 30-X-7-.08 of the Alabama State Board of Public Accountancy Administrative Code states that the phrase “conduct discreditable to the public accounting profession” shall be construed in light of the following broad recognition of responsibilities:

(a) The reliance of the public in general and the business community in particular on sound financial reporting and advice on business affairs imposes on the public accounting profession an obligation to maintain high standards of technical competence, morality and integrity. To this end all persons permitted to practice as Certified Public Accountants or Public Accountants under the laws of Alabama shall at all times maintain independence of thought and action, hold clients’ affairs in strict confidence, strive continuously to improve the practitioner’s skills, observe generally accepted accounting principles and generally accepted auditing standards, promote sound and informative financial reporting, uphold the dignity and honor of the public accounting profession, and maintain high standards of personal conduct.

30. Pursuant to Section 34-1-12(a) (11), Code of Alabama 1975, conduct discreditable to the public accounting profession constitutes sufficient grounds for disciplinary action by the Board.

31. The Respondent's agreement and entering into the Settlement Agreement is evidence of conduct discreditable to the public accounting profession in violation of the Board of Public Accountancy Administrative Code, Rule 30-X-6-.05(1) *Conduct in General*.

32. A violation of the Board of Public Accountancy Administrative Code, Rule 30-X-6-.05(1) *Conduct in General*, constitutes sufficient grounds for disciplinary action by the Board as provided in Section 34-1-12(a)(4), Sections 34-1-12 through 34-1-14 and Section 41-22-12, Code of Alabama 1975.

33. The Respondent's agreement and entering into the Settlement Agreement is evidence of conduct discreditable to the public accounting profession in violation of Section 34-1-12(a)(11) Code of Alabama 1975.

It is therefore ORDERED, ADJUDGED and DECREED by this Board that the license, registration, certificate and/or permit to practice of the Respondent be SUSPENDED, for a period no longer than one (1) year, and that Respondent provide proof of completion of the following to the Board:

1. Return the suspended Certified Public Accountant Certificate (wall certificate) to the Board office by March 8, 2024.
2. The Board fines the Respondent one thousand dollars (\$1,000.00) per count, for a total of five thousand dollars (\$5,000.00). The fine can be paid by either cashier's check/money order payable to the Alabama State Board of Public Accountancy or you may pay online by using the following link, located on the

Board's website, <https://appengine.egov.com/apps/al/asbpa/fines>. This fine
is due by March 8, 2024.

DONE this 23rd day of January 2024.

ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

CONCUR:
MMES. PRINCE and SHEPPARD-HARRIS
and MESSRS. ETHEREDGE, SKINNER, and
SMITH

RECUSE:
MR. KINTZ

ABSENT:
MR. SCHAFFERS

ATTEST:



D. Boyd Busby, CPA
Executive Director

Signed on February 8, 2024