
ORDER GRANTING PETITION TO
TERMINATE BAR AND CONSENTING TO
ASSOCIATION WITH A REGISTERED
PUBLIC ACCOUNTING FIRM

In the Matter of Kent M. Bowman, CPA

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) PCAOB Release No. 105-2018-024
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) November 15, 2018
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On July 25, 2017, the Public Company Accounting Oversight Board ("Board" or "PCAOB") issued an order instituting disciplinary proceedings, making findings and imposing sanctions that barred Kent M. Bowman, CPA ("Bowman") from being an associated person of a registered public accounting firm. Bowman was permitted, pursuant to the order, to petition for Board consent to associate with a registered public accounting firm after one year from the date of the order.¹ Bowman has filed a petition to terminate the bar and for Board consent to reassociate with Tanner LLC, a public accounting firm registered with the Board pursuant to Section 102 of the Sarbanes-Oxley Act of 2002, as amended, and PCAOB Rules. By this Order, the Board is granting Bowman's petition.

In the order imposing sanctions against Bowman, the Board found that Bowman violated PCAOB rules and standards in connection with the audits of the financial statements of ActiveCare, Inc. ("ActiveCare") for the years ended September 30, 2012 and September 30, 2013 (the "ActiveCare Audits"). Specifically, Bowman ignored red flags and audit evidence that contradicted ActiveCare's practice of recognizing revenue immediately upon making bulk shipments of certain health care products to health care plans or intermediaries. Despite Bowman's awareness of these red flags and contradictory audit evidence, he abandoned his obligation to exercise due professional care and professional skepticism, and failed to obtain sufficient appropriate audit evidence to support his authorization of Tanner's audit opinion for the ActiveCare Audits. Bowman consented to the entry of the order without admitting or denying the findings in it, except

¹ *In the Matter of Kent M. Bowman, CPA, PCAOB Rel. No. 105-2017-030 (July 25, 2017).*

as to Board's jurisdiction over him and the subject matter of the proceedings, which he admitted.

PCAOB Rule 5302(b) governs petitions to terminate a bar from being an associated person of a registered public accounting firm. Such petitions must be supported by an affidavit addressing certain factors and include certain exhibits as specified in PCAOB Rule 5302(b)(2). PCAOB Rule 5302(b)(3) requires the petitioner to make a showing satisfactory for the Board to be able to determine that the proposed association would be consistent with the public interest. Such a determination depends on the petitioner's specific facts and circumstances.

On the basis of the information supplied and representations made relating to factors identified in PCAOB Rule 5302(b)(4), it appears that Bowman has met the requirements of PCAOB Rule 5302(b) and that he has complied with the July 25, 2017 order barring him from being an associated person of a registered public accounting firm. Moreover, nothing has come to the Board's attention that would be a basis for an adverse decision on Bowman's petition.

In view of the foregoing, the Board determines that the proposed association would be consistent with the public interest. Accordingly, it is hereby ORDERED that:

- A. The Board consents to Kent M. Bowman, CPA's reassociation with Tanner LLC, a registered public accounting firm; and
- B. The bar against Kent M. Bowman, CPA from being an associated person of a registered public accounting firm is hereby terminated, subject to the following restrictions set forth in Section IV.D. of the July 25, 2017 order, which will remain in effect until July 24, 2019. Specifically, Mr. Bowman cannot:
 - (1) serve, or supervise the work of another person serving, as an "engagement partner," as that term is used in the Board's Auditing Standard No. 10 or AS 1201, *Supervision of the Audit Engagement*;
 - (2) serve, or supervise the work of another person serving, as an "engagement quality reviewer," as that term is used in the Board's Auditing Standard No. 7 or AS 1220, *Engagement Quality Review*;
 - (3) serve, or supervise the work of another person serving, in any role that is equivalent to, but differently denominated from, engagement partner

(such as "lead partner" or "practitioner-in-charge") or engagement quality reviewer (such as "concurring partner");

(4) exercise authority, or supervise the work of another person exercising authority, either to sign a registered public accounting firm's name to an audit report, or to consent to the use of a previously issued audit report, for any issuer, broker, or dealer;

(5) serve, or supervise the work of another person serving, as the "other auditor," or "another auditor," as those terms are used in the Board's Interim Auditing Standard AU § 543 or AS 1205, *Part of the Audit Performed by Other Independent Auditors*; or

(6) serve, or supervise the work of another individual serving as a professional practice director.

ISSUED BY THE BOARD.



Phoebe W. Brown
Secretary

November 15, 2018