

**MINUTES**  
*IDAHO STATE BOARD OF ACCOUNTANCY*  
Post Falls, Idaho  
June 21, 2000  
**REGULAR SESSION**

The Regular Session of the Idaho State Board of Accountancy was called to order at 8:03 AM in Post Falls, Idaho with Chair Leonard R. Hodge presiding. The Board adjourned to Executive Session at 8:07 AM. The Executive Session concluded at 9:50 AM. After a brief break, the Regular Session reconvened at 10:02 AM. A recess occurred from 12:00 Noon to 12:15 PM, after which time the Regular Session resumed including a working lunch. The Regular Session adjourned at 1:05 PM.

**ROLL CALL:** The following members of the Board were present:  
Leonard Hodge, CPA  
Sam Cotterell, CPA  
Tom Jones, CPA  
Larry Stewart, LPA  
Don Etter, Public Member  
Participating via conference call were:  
Kitty Pumphrey, CPA  
Larry Bird, CPA

Barbara Porter, Executive Director was present.  
Larry Hunter, Attorney participated via conference call.

**1. CONVENE REGULAR SESSION:**

*Approve Minutes:* Mr. Etter motioned to approve the minutes of the April 19, 2000 Regular Session. Ms. Pumphrey seconded the motion. Motion carried.

**2. EXECUTIVE SESSION:**

Mr. Jones, citing *Idaho Code* Section 67-2345 (1)(b), (d) & (f), motioned to adjourn to Executive Session for discussion of staff compensation, complaints, and disciplinary proceedings before the Board. Mr. Cotterell seconded the motion. All members of the Board present voted as follows: Sam Cotterell, CPA, yes; Larry Stewart, LPA, yes; Kitty Pumphrey, CPA, yes; Larry Bird, CPA, yes; Don Etter, yes; Tom Jones, CPA, yes; and Leonard Hodge, CPA, yes.

When the Regular Session resumed, the Board addressed the items from the June 21, 2000 Executive Session.

*(A) Approve Minutes:* Ms. Pumphrey motioned to approve the minutes of the April 19, 2000 Executive Session. Mr. Bird seconded the motion. Motion carried.

*(B) Status Reports/Review Complaints:* Mr. Cotterell motioned to close Docket #99-09. Mr. Bird seconded the motion. Motion carried. Mr. Cotterell motioned to close Docket #00-20. Mr. Etter

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seconded the motion. Motion carried. Mr. Cotterell motioned to include Ms. Boston's name in the Investigator Pool for investigation of complaints filed with the Board. Mr. Bird seconded the motion. Motion carried.

*(C) Licensure Special Consideration:* Mr. Cotterell motioned to approve Mr. Dickerman for licensure by Transfer of Grades. Mr. Bird seconded the motion. Motion carried.

*(D) Employee Salary:* Mr. Stewart motioned to grant the Executive Director a 6.5% merit increase in addition to the 3.5% increase previously given for FY 2001. Mr. Jones seconded the motion. Motion carried.

**3. UNIFORM ACCOUNTANCY ACT:**

The Board discussed specific components of the UAA proposal.

**Fourth Level of Reporting for Licensees:** The Board supports allowing licensees to issue non-SAARS financial reports, just as non-licensees can issue under the current Idaho Accountancy Act.

**Commissions and Contingent Fees:** The Board supports allowing them. The UAA says this form of compensation is only allowable for non-attest work from non-attest clients (client based). There is consideration to allow commissions and contingent fees for non-attest work even if attest work is done for the client in other engagements (engagement based). The Board is interested in licensees' perspective on the different approaches. The Board has not yet endorsed one over the other.

**Non-CPA Ownership:** The Board supports allowing up to 49% non-CPA ownership of CPA firms.

**150 Hour Education Requirement:** The Board is considering requiring 150 Hours for licensure rather than exam. They would like to get the views of licensees and candidates. Education equivalencies will be removed.

**Continuing Professional Education:** The Board supports requiring 80 hours every two years with a 20 hour minimum per year. Currently Idaho requires a 30 hour minimum.

The Committee plans to circulate drafts relating to the rules in early fall for public comment. Input would be gathered from a series of public meetings. Given general support for the proposed legislation and rule changes, legislation would be introduced during the 2001 Legislative Session with a July 1, 2001 enactment date. Mr. Jones was appointed by the Chair to participate on the Board's UAA Committee as the public accounting member.

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**4. APPLICANTS FOR LICENSURE:**

Ms. Pumphrey motioned to approve the following applicants for licensure. Mr. Jones seconded the motion. Motion carried.

CP-3836	5/09/00	WENDLAND, TIMOTHY A	CP-3849	7/1/00	BRUNS, JACQUELINE RENE'
CP-3837	5/09/00	CHRISTENSEN, TERESA A	CP-3850	7/1/00	FRIDAY, JASON A
CP-3838	5/10/00	GATES, SAUL MAHER	CP-3851	7/1/00	HOLMES, KEITH DAVID
CP-3839	5/10/00	SMITH, JULIE T	CP-3852	7/1/00	OAKES, STEVEN L
CP-3840	5/10/00	MCHUGH, RYAN THOMAS	CP-3853	7/1/00	WATTS, JANA LYNN
CP-3841	7/1/00	EGLAND, JAMI LEE	CP-3854	7/1/00	LINCOLN, DOUGLAS W
CP-3842	7/1/00	FISHER, KAREN MARIE	CP-3855	7/1/00	GENTRY, SHANE D
CP-3843	7/1/00	IRELAND, TERRY J	CP-3856	7/1/00	SUOJA, AARON J
CP-3844	7/1/00	KENNY, CATHERINE P	CP-3857	7/1/00	OLSON, DAVID JOHN
CP-3845	7/1/00	KILLINGSWORTH, TERESA	CP-3858	7/1/00	MOSER, KATHRYN L
CP-3846	7/1/00	LEE, MELINDA K	CP-3859	7/1/00	HILL, AMY L
CP-3847	7/1/00	MCPHERSON, KATHARINE	CP-3860	7/1/00	KEELEY, TIFFANY
CP-3848	7/1/00	WAMBEKE, CONNIE L			

**5. SPECIAL CONSIDERATIONS:**

(A) *CPE*: Mr. Stewart motioned to deny the requests from Mr. LeBeau, CPA and Mr. Fruci, CPA for exceptions to the CPE Reporting date requirement. Mr. Jones seconded the motion. Motion carried with Mr. Bird voting no.

(B) *Examination*: Ms. Pumphrey motioned to deny Mr. Lind's application for the May 2000 Uniform CPA Examination for failure to meet Idaho's educational requirement. Mr. Jones seconded the motion. Motion carried. Ms. Pumphrey motioned to approve transferring Ms. Goodson's fees forward to the November 2000 Uniform CPA Examination for verified medical reasons. Mr. Etter seconded the motion. Motion carried.

(C) *Licensure*: Ms. Pumphrey motioned to accept the experience verification provided by Ms. Dayton. Mr. Cotterell seconded the motion. Motion carried.

**6. DIRECTOR'S REPORT:**

(A) *Access Idaho and Credit Card Payments*: Ms. Porter updated the Board on the State of Idaho's activities to increase access to government information through an Internet site called "Access Idaho." She explained the value of accepting credit card payments as a first step towards expanding the Board's services via the Internet. Mr. Jones motioned to accept payments via credit cards. Ms. Pumphrey seconded the motion. Motion carried. Ms. Pumphrey motioned to have Board Staff explore the possibility of rule changes to increase fees as a method of recovering the credit cards costs. Mr. Stewart seconded the motion. Motion carried.

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*(B) Increases in AICPA Exam Grading Fees:* Ms. Porter apprised the Board of anticipated increases in the fees charged by AICPA to grade the CPA Exam. The increases will go into effect in 2001 and a second increase in 2002. The Board acknowledged that changes to the Accountancy Act and Rules during the UAA process will be necessary to address the increased charges.

*(C) Practice Unit/Quality Review:* The Board directed staff to research and make a proposal on changes to the rules during the UAA process to address getting the letter of comments, report, and acceptance letter when a Peer Review is complete, as well as expanding the role of QROC to include review of all reports except those that are unqualified.

*(D) NASBA Quarterly Focus Questions:* Board members will forward any input they may have to Ms. Porter prior to the filing deadline.

*(E) Directors Activities for April – June 2000:* Ms. Porter supplied the Board with her activities for the above mentioned months. No action was required.

**7. TREASURER’S REPORT:**

The Board reviewed the Treasurers report for May 2000. Mr. Jones motioned to accept the report. Mr. Etter seconded the motion. Motion carried. Mr. Etter motioned to authorize the Treasurer to approve the budget request that Ms. Porter will draft for the September 1, 2000 submission deadline. Mr. Cotterell seconded the motion. Motion carried.

**8. NASBA WESTERN REGIONAL MEETING ITEMS OF INTEREST:**

*(A) Self-Regulating Organization:* The Board discussed AICPA Public Oversight Board’s proposal for a Self-Regulating Organization to set standards and regulations for auditors of publicly traded companies. The general opinion is that the Board should get more information about the proposal and become involved via NASBA in addressing the idea.

*(B) Exposure Draft on CPE Standards:* Board members are reviewing. Any possible response will be coordinated through Ms. Porter.

*(C) Examinations Committee:* The Board endorsed NASBA Examinations Committee’s proposal which is set for advisory vote at the NASBA Annual Meeting in Boston, September 2000.

*(D) Regional Communications Forums:* The Board supported involvement with NASBA RCF conference calls provided the topics were of significant importance to Idaho and the profession.

*(E) PWC & State Board Complaints:* The Board will pursue complaints against Idaho licensees where specific allegations of violations of the Idaho Accountancy Act and Rules are filed.

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*(F) Regional Director:* The Board congratulated Mr. Cotterell on his nomination as NASBA Mountain Region Director. The Board of Directors will be voted on at the NASBA Annual Meeting in Boston, September 2000. Ms. Pumphrey motioned to continue financial support to help pay travel costs not covered by NASBA, including Associate Membership dues for past Idaho State Board of Accountancy members, when participating in NASBA committee and/or Board of Directors work. Mr. Jones seconded the motion. Motion carried.

**9. ELECTION OF OFFICERS:** Mr. Etter motioned the following officer slate for the upcoming term of offices: Mr. Cotterell Chair; Mr. Jones Vice-Chair; Ms. Pumphrey Secretary; Mr. Stewart Treasurer; and Mr. Bird Investigative Chair. Mr. Jones seconded the motion. Motion carried. Liaison appointments to standing committees will be appointed by Mr. Cotterell once he is in office.

**10. UPCOMING MEETING DATES:** The next Board meeting is scheduled to be held Wednesday, October 4, 2000 at the Board office in Boise beginning at 8:00 AM. NASBA Annual Meeting will be held September 17 - 20, 2000 in Boston. Mr. Cotterell, Mr. Jones, Ms. Pumphrey, Mr. Stewart, Ms. Porter, and possibly Mr. Bird will attend. Once the newest Board member is appointed, he will be encouraged to attend also.

Board members expressed their appreciation to Mr. Hodge and the contributions he has made to the Board over the past five years. Mr. Hodge indicated his pleasure in participating in the Board activities and said he would provide Board members with a written summary of his ideas for future activities.

There being no further business before the Board, the Regular Session adjourned at 1:05 PM.

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Leonard Hodge, CPA, Chair

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Samuel Cotterell, CPA, Vice-Chair

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J. Thomas Jones, CPA, Secretary