

MINUTES

IDAHO STATE BOARD OF ACCOUNTANCY

Boise, Idaho

April 25, 2001

REGULAR SESSION

The Regular Session of the Idaho State Board of Accountancy was called to order at 9:00 AM with Chair Samuel K. Cotterell, CPA presiding. The Board adjourned to Executive Session at 9:07 AM. The Executive Session concluded at 10:35 AM. After a brief break, the Regular Session reconvened at 10:41 AM. The Regular Session took a brief recess at 12:06 PM and resumed for a working lunch at 12:25 PM. A tour of the computerized exam testing center, Prometric, occurred from 12:41 PM to 2:13 PM, at which time the Regular Session resumed. The Regular Session adjourned at 2:50 PM.

ROLL CALL: The following members of the Board were present:
Sam Cotterell, CPA, Chairman
Tom Jones, CPA, Vice-Chairman
Kitty Pumphrey, CPA, Secretary
Larry Stewart, LPA, Treasurer
Don Etter, Public Member
Larry Bird, CPA, Investigative Chair
Jim Pilcher, CPA, CPA Member

Barbara Porter, Executive Director, Sue Lenon, Board Staff Secretary, and Larry Hunter, Attorney were present as Board staff. Melissa Nelson representing the Idaho Society of CPAs and Jerry Berggren representing the Idaho Association of Public Accountants attended after the Executive portion of the meeting.

1. CONVENE REGULAR SESSION:

(A) *Approve Minutes:* Ms. Pumphrey motioned to approve the minutes of the April 6, 2001 conference call. Mr. Pilcher seconded the motion. Motion carried.

2. EXECUTIVE SESSION:

Samuel K. Cotterell, Chair, citing *Idaho Code* Section 67-2345 (1)(b), (d) & (f), called for a vote to adjourn to Executive Session for discussion of complaints and disciplinary proceedings, November 2000 Uniform CPA Examination grades, license special considerations, and staff performance evaluations. All members of the Board present voted as follows: Sam Cotterell, CPA, yes; Tom Jones, CPA, yes; Larry Stewart, LPA, yes; Kitty Pumphrey, CPA, yes; Don Etter, yes; and Jim Pilcher, CPA, yes. Larry Bird, CPA joined the Board meeting at 9:10 AM.

When the Regular Session resumed, the Board addressed the items from the April 25, 2001 Executive Session.

(A) *Approve Minutes:* Ms. Pumphrey motioned to approve the minutes of the April 6, 2001 Executive

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Session. Mr. Pilcher seconded the motion. Motion carried.

(B) *Status Reports on Complaints*: Mr. Pilcher made a motion to close dockets #2001-07 and #2001-08. Mr. Bird seconded the motion. Motion carried.

(C) *November 2000 Uniform CPA Exam Grades*: Board took action in Regular Session Item 6.B.

(D) *License Special Consideration*: Board took action in Regular Session Item 8.A.

(E) *Employee Evaluations & Salary Recommendations*: Mr. Bird motioned to grant 3% merit increases in FY 2002 for the Administrative Assistant 2 and the Technical Record Specialist 2 positions, and a bonus in FY01 of \$1000 for the Executive Director. Mr. Pilcher seconded the motion. Motion carried.

3. DIRECTOR'S REPORT:

(A) *Legislative Update*: Ms. Porter updated the Board on the House Business Committee's visit to the Board office; the Education Equivalencies rule changes approved by the Legislature; the cut in personnel appropriation for FY 2002; and the passing of the bill changing our section of the *Idaho Code* regarding the location of the Board office from the "city of Boise" to "within Ada County."

(B) *Complaint and Cease & Desist Processes*: Ms. Porter informed the board she has coordinated a meeting in May for Executive Directors and legal counsel from other Idaho regulatory boards to address the practices for handling complaints, investigations, hearings, etc. Suggestions for changes will be presented for the Board's consideration at the June Board meeting.

(C) *CPE Standards*: Ms. Porter distributed the exposure draft of proposed revised standards issued by NASBA. Mr. Cotterell and Ms. Pumphrey will evaluate the information and provide feedback for discussion at the June Board meeting.

(D) *AICPA Independence Rules*: Ms. Porter distributed the exposure draft of proposed revisions to the Professional Ethics rules issued by AICPA. Mr. Pilcher and Mr. Jones will evaluate the information for discussion at the June Board meeting.

4. TREASURER'S REPORT:

The Board reviewed the Treasurers Report. Mr. Bird motioned to authorize Ms. Porter to transfer unused FY 2001 spending authority in personnel costs to operating expense with approval from the Division of Financial Management. Ms. Pumphrey seconded the motion. Motion carried. Regarding the accelerated payment for grading of the May 2001 CPA Exam in FY 2001, Mr. Cotterell stated the sense of the Board

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was to work within FY 2001 and FY 2002 appropriations and the existing free fund balance to cover the increased grading fee that occurs in FY 2002, rather than passing the expense on to the candidates in FY 2002. Additional spending authority and an increase in fees to candidates will have to be requested for FY 2003.

5. UNIFORM ACCOUNTANCY ACT UPDATE:

Mr. Cotterell reported on the final meeting of the UAA Task Force at which he and Ms. Porter represented the Idaho State Board of Accountancy. Melissa Nelson from ISCPA reported that the Idaho Society of CPAs has endorsed the contents of the proposal, and intend to take a mirror of the final UAA proposal drafted last year without the grandfathering of LPAs as CPAs to the 2002 Legislative Session. The Board discussed concepts in the final draft; inquired as to IAPA's timeline for reviewing the proposal; and reviewed the process for developing administrative rules.

6. EXAMINATION:

(A) Special Considerations: Mr. Pilcher motioned to grant Mr. Garth Oakey's request for a late fee transfer. Mr. Stewart seconded the motion. Motion carried.

(B) Approve/Void Examination Grades and Designate High Candidates: Ms. Pumphrey motioned to approve the November 2000 grades. Mr. Pilcher seconded the motion. Motion carried. Ms. Pumphrey motioned to void the November 2000 grades for Ms. Jennifer R. McGinnis and Mr. Larry Alan Steckelberg for failure to meet Idaho's educational qualifications. Mr. Pilcher seconded the motion. Motion carried. Ms. Pumphrey motioned to approve the high scoring candidates: Jason V. Waters, Paris G. Cole, Richard Burns Christensen and Tamie Ball. Mr. Etter seconded the motion. Motion carried.

(C) Changes to Candidate Instructions Effective May 2001: Candidates must be seated at the time announcements begin. Late arriving candidates will not be admitted to the exam once the announcement has begun. Candidates will not be allowed to turn in their examination materials and leave the exam site until two hours after the exam begins.

(D) Advisory Grades: Board members continue to desire that advisory grades be sent to them after the examinations.

7. Computerization of the Uniform CPA Exam:

Ms. Porter and the Board members toured of the Prometric Computerized Exam Testing Center located at 355 N. Orchard St., Ste 101. Lengthy discussion on the concerns raised by the AICPA's computerization of the Uniform CPA Exam followed. Ms. Porter, Mr. Cotterell, Mr. Jones, Mr. Pilcher and Ms. Pumphrey will attend the Examination Conference NASBA has scheduled in Chicago on May 10, 2001 and will update the Board on the meeting's outcome at the June Board meeting.

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8. Applicants for Licensure:

(A) Review Applicants, Including Special Consideration: Mr. Bird motioned to approve the following applicants for licensure, and after special consideration, accepted Ms. Kelley Ann Farrell's application for licensure. Ms. Pumphrey seconded the motion. Motion carried.

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GEDDE, CATHERINE M	CP-3932	12/19/2000	Reciprocity	CO
BUCK, DARLA SOVEREIGN	CP-3933	1/1/2001	Reciprocity	AK
CARTER, MICHAEL N	CP-3934	12/19/2000	Exam	
GEDDINGS, JAMES LEE	CP-3935	12/20/2000	Reciprocity	CA
HATCH, MICHAEL B	CP-3936	1/1/2001	Exam	
GARDINER, REED STUART	CP-3937	1/1/2001	Reciprocity	CA
SHULL, BRIAN CLARK	CP-3938	1/1/2001	Reciprocity	WA
FRANCIS, ROBERT WILLIAM	CP-3939	1/1/2001	Reciprocity	NM
FALCK, BRIAN	CP-3940	1/2/2001	Exam	
VAN LITH, CYNTHIA	CP-3941	1/2/2001	Exam	
SEYFERT, JUDITH LYNN	CP-3942	1/25/2001	Reciprocity	TN
CLEVERLEY, RYAN D	CP-3943	1/25/2001	Exam	
BUCK, JULIE ANN	CP-3944	1/25/2001	Exam	
PANTER, SHARI	CP-3945	1/26/2001	Exam	
BUTLER, PATRICIA MARIE	CP-3946	2/8/2001	Exam	
TUCKER, DUANE SCOTT	CP-3947	2/8/2001	Reciprocity	MO
DOBSON, TODD R	CP-3948	2/8/2001	Exam	
DILLION, R ANNETTE	CP-3949	2/14/2001	Exam	
CROW, RONALD LEE	CP-3950	2/14/2001	Exam	
GAO, JUN	CP-3951	2/14/2001	Exam	
GOSSAGE, BRIAN H	CP-3952	2/14/2001	Exam	
JOHNSON, DERONE M	CP-3953	2/14/2001	Exam	
NELSON, JEFFREY P	CP-3954	2/14/2001	Exam	
TRUCHOT, CINDY M	CP-3955	2/14/2001	Exam	
PATTERSON, ROSS H	CP-3956	2/15/2001	Exam	
MCKENNA, JAMES CHARLES	CP-3957	2/15/2001	Reciprocity	OH
COLES, S. JASON	CP-3958	2/15/2001	Exam	
PATTERSON, DANNY ALAN	CP-3959	3/1/2001	Transfer of Grades	TX
FLETCHER, ANDY R	CP-3960	3/8/2001	Exam	
DEMPSEY, AMY RICHE	CP-3961	3/8/2001	Exam	
OWEN, KIRSTEN A	CP-3962	3/8/2001	Exam	
JOHNSON, KEITH LAVAR	CP-3963	3/14/2001	Reciprocity	TX
MEALEY-OZAWA, RICHARD S	CP-3964	3/14/2001	Exam	
HEDIN, GREGG M	CP-3965	2/6/2001	Exam	
MITCHELL, CAROL E	CP-3966	3/23/2001	Exam	
NEWBERN, MELANIE A	CP-3967	3/23/2001	Exam	
SUVEG, BARBARA SOPHIA	CP-3968	4/10/2001	Exam	

(B) *New Format for Annual License:* The copy of the 2001-2002 CPA License was distributed.

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9. CPE & PEER REVIEW:

(A) *CPE: QAS Program and Hours Allowed for Self-Study:* Ms. Pumphrey motioned to authorize the CPE committee to accept the number of hours stated on the QAS Program for CPE courses. Mr. Bird seconded the motion. Motion carried.

(B) *QROC:* The Quality Review Oversight Committee is performing due diligence in reviewing Administering Organizations' compliance with new AICPA Peer Review standards effective January 2001. QROC will provide a recommended list of Administrating Organizations to the Board for their approval at the June Board meeting.

10. June Board Meeting:

The next Board Meeting was scheduled for Wednesday, June 27, 2001 beginning at 9:00 AM.

There being no further business before the Board, the meeting was adjourned at 2:50 PM.

Samuel K. Cotterell, CPA, Chair

J. Thomas Jones, CPA, Vice-Chair

Lela D. Pumphrey, CPA, Secretary