

MINUTES

IDAHO STATE BOARD OF ACCOUNTANCY

Boise, Idaho

June 27, 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 9:08 AM. The Executive Session concluded at 10:00 AM. The Regular Session reconvened immediately thereafter with a break taken from 10:35 AM until 10:58 AM. The Regular Session recessed for lunch at 11:41AM and reconvened at 12:18 PM. The Regular Session adjourned at 1:35 PM.

ROLL CALL: The following members of the Board were present:
Sam Cotterell, CPA, Chair
Tom Jones, CPA, Vice-Chair
Larry Stewart, LPA, Treasurer
Don Etter, Public Member
Kitty Pumphrey, CPA, Secretary, participated via telephone

Absent and excused:

Larry Bird, CPA, Investigative Chair, ill
Jim Pilcher, CPA, CPA Member, traveling

Barbara Porter, Executive Director, and Sue Lenon, Board Staff Secretary attended as Board staff. Larry Hunter, Board Attorney, joined the meeting at 9:11 AM. Melissa Nelson representing the Idaho Society of CPAs, Jerry Berggren and Terry Bayless representing the Idaho Association of Public Accountants, and Matt Freeman representing Legislative Services Office attended after the Executive Session.

1. CONVENE REGULAR SESSION:

(A) *Approve Minutes:* Mr. Etter motioned to approve the minutes of the April 25, 2001 Regular Session with corrections noted. Mr. Stewart seconded the motion. Motion carried.

2. EXECUTIVE SESSION:

Samuel K. Cotterell, Chair, citing *Idaho Code* Section 67-2345 (1)(d) & (f), called for a vote to adjourn to Executive Session for discussion of complaints and disciplinary proceedings, and license special considerations. 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; and Don Etter, yes.

When the Regular Session resumed, the Board addressed the items from the June 27, 2001 Executive Session.

(A) *Approve Minutes:* Mr. Etter motioned to approve the minutes of the April 25, 2001 Executive Session with corrections to the starting time. Mr. Stewart seconded the motion. Motion carried.

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(B) Status Reports on Complaints: Mr. Hunter updated the Board on the status of open dockets #2001-01, #2001-09, and #2001-10. Board Staff will monitor the Final Order of docket #2000-17.

(C) License Special Consideration: Board took action in Regular Session Item 5.

(D) Nominations to Investigative Committee: Board took action under Regular Session Item 3A.

3. DIRECTOR'S REPORT:

(A) Investigative Committee Formation: Ms. Porter updated the Board on the creation of the Investigative Committee as allowed under *Idaho Code 54-204*. Mr. Jones motioned for the formation of a Board-appointed committee of three individuals consisting of an out-going member of the Idaho State Board of Accountancy serving a one-year term as Committee Chair and two licensees appointed to serve up to two three-year terms. The initial appointments would consist of one three-year term and one four-year term to avoid having both members rotate off in the same year. The Executive Director and legal counsel would serve as staff to the Committee. Mr. Etter seconded the motion. Motion carried. Mr. Cotterell then asked for a motion to name members to the committee. Mr. Jones motioned to appoint the outgoing Board Member for 2001, Samuel K. Cotterell, to a one-year term as Chair of the Investigative Committee; Curtis Pope, CPA of Osterhout, King, Pope and Phillips in Burley to a four-year term; and Brad Swan, CPA of Presnell Gage in Lewiston to a three-year term. Mr. Etter seconded the motion. Motion carried.

(B) NASBA & AICPA Exposure Drafts: 1) *CPE Standards:* Ms. Pumphrey provided comments on the exposure draft. 2) *AICPA Independence Rules:* Mr. Jones offered comments on the exposure draft of the proposed revisions to the Professional Ethics rules. 3) *AICPA Computerization of the Uniform CPA Examination Issues, Strategies, and Policies (Briefing Paper #2):* Ms. Pumphrey and Ms. Porter provided comments. 4) *AICPA Exam Content and Structure:* Mr. Cotterell and Ms. Pumphrey stressed the importance of maintaining the rigor of the exam. The Board directed Ms. Porter to draft the comments to NASBA & AICPA in response to the exposure drafts.

(C) Staff Salary: Mr. Jones motioned to ratify the July 1, 2001 effective date for the Administrative Assistant I position's pay raise. Mr. Stewart seconded the motion. Motion carried.

(D) Director Activities for May – June 2001: Ms. Porter outlined her work duties as information to the Board.

4. TREASURER'S REPORT:

(A) Current Fiscal Year-to-Date: The Board reviewed the Treasurers Report reflecting the first eleven months of FY 2001. Ms. Porter explained the need to pay for grading of the May 2001 CPA

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Exam in FY 2001. The sense of the Board is to work within FY 2001 and FY 2002 appropriations and the existing free fund balance to cover the increased cost of the grading fee that will be charged by AICPA in FY 2002, rather than passing the expense on to the candidates in FY 2002. The additional fee will be passed on to the candidates beginning in FY 2003.

(B) Fiscal Year 2003 Request Development: Ms. Porter presented the proposed budget request showing increases in: Operating Expenses for exam grading fee, office space charge, background checks, UAA implementation, and software maintenance; and Personnel Costs for the temporary group position should it be needed. Mr. Etter motioned to have the Executive Director prepare the FY 2003 Budget Request for submission, including the items listed above which are needed for a Maintenance of Current Operations budget. Mr. Jones seconded the motion. Motion carried.

5. APPLICANTS FOR LICENSURE:

Name	License #	Effective	Expires	Licensure by:	
KENYON, STEVE	CP-3969	5/23/2001	6/30/2001	Exam	
CORSON, LORI A	CP-3970	6/6/2001	6/30/2001	Reciprocity	WA
BURGESS, TRAVIS W	CP-3971	7/1/2001	6/30/2002	Exam	
DOWNING, LORI K	CP-3972	7/1/2001	6/30/2002	Exam	
FARRELL, KELLY ANN	CP-3973	7/1/2001	6/30/2002	Exam	
FORREY,	CP-3974	7/1/2001	6/30/2002	Exam	
HAYS, MATTHEW	CP-3975	7/1/2001	6/30/2002	Reciprocity	CA
LANDERS, DIANNA L	CP-3976	7/1/2001	6/30/2002	Exam	
MOWER, PAUL ROYAL	CP-3977	7/1/2001	6/30/2002	Reciprocity	CO
OLMOS, LUCY RAMIREZ	CP-3978	7/1/2001	6/30/2002	Exam	
WESTRICK, LINDA D	CP-3979	7/1/2001	6/30/2002	Exam	
MATHIEUS, MICHAEL J	CP-3980	7/1/2001	6/30/2002	Exam	
ORTIZ, SARA	CP-3981	7/1/2001	6/30/2002	Exam	
YOUNG, DONNA	CP-3982	7/1/2001	6/30/2002	Reciprocity	WA
PEARSON, MICHAEL S	CP-3983	7/1/2001	6/30/2002	Exam	
KREIKEMEIER,	CP-3984	7/1/2001	6/30/2002	Exam	
BLACKLOCK, BRENT R	CP-3985	6/12/2001	6/30/2001	Exam	
MCDONALD, MARCUS S	CP-3986	7/1/2001	6/30/2002	Exam	
STONE, MICHAEL E	CP-3987	7/1/2001	6/30/2002	Reciprocity	WA
GREEN, BRENDA REED	CP-3988	7/1/2001	6/30/2002	Exam	
KELLOGG, AMY L	CP-3989	7/1/2001	6/30/2002	Exam	

Mr. Jones motioned to approve the list of applicants for licensure, and after special consideration, to accept the applications for two special consideration applicants for licensure. Mr. Stewart seconded the motion. Motion carried.

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6. SPECIAL CONSIDERATIONS:

(A) CPE – Late Fee Waiver Request: Mr. Jones motioned to deny a request from Ms. Comet for waiver of a late CPE filing fee. Ms. Pumphrey seconded the motion. Motion carried. The Board authorized staff to set up a payment plan.

(B) Exam Special Consideration: Ms. Pumphrey motioned to approve the late fee transfer request for Bryan Brown for medical reasons. Mr. Etter seconded the motion. Motion carried.

(C) Licensure Special Consideration: Action on the two special considerations for licensure was included in Item 5.

7. NASBA EXAM & WESTERN REGIONAL MEETINGS:

Mr. Cotterell, Mr. Jones, Ms. Pumphrey and Ms. Porter discussed the highlights covered at the Examination Conference NASBA held on May 10, 2001; cost, confidentiality, contract, and control. Fifty-three jurisdictions were represented. Mr. Cotterell, Mr. Jones, Ms. Pumphrey, Mr. Pilcher, and Ms. Porter attended the NASBA Western Regional Meeting. Ms. Pumphrey was re-elected to NASBA's nominating committee. Mr. Cotterell outlined the main highlights of discussion as the computerized exam; the roll call of the states discussion of items affecting particular states; a better understanding of how the Uniform CPA Exam is organized; and the roll of the Board of Examiners. Ms. Pumphrey commented on the session about the reworked Continuing Professional Education standards. Ms. Porter pointed out the interactive discussion of Ethics issues among the different states. Mr. Cotterell asked for reports on other recently attended meetings. Ms. Porter attended the Executive Directors Committee Meeting in Maine where the primary focus was to develop the agenda for the Executive Directors Conference in 2002. Ms. Porter will develop the section of the agenda on Substantial Equivalency differences among the States. Ms. Pumphrey reported Mr. Cotterell was re-nominated as Regional Director at NASBA's Nominating Committee Meeting held in the East. Mr. Cotterell recognized Ms. Porter for her work representing the Idaho State Board of Accountancy by serving on NASBA's Executive Directors Committee.

8. UNIFORM ACCOUNTANCY ACT:

The Board discussed the content, process and timeline for implementing the most current draft of the Uniform Accountancy Act legislative proposal. Ms. Porter was directed to begin drafting the rules with a final draft available for the December 2001 Board Meeting. The Board discussed the implications of various components of the proposal, and in particular, the fourth level of reporting. Mr. Bayless indicated that IAPA would like to see the titles Accredited Business Advisor (ABA) and Accredited Tax Preparer (ATP) added to the acceptable language of the UAA. The Board acknowledged the proposed legislation allows for the Board to adopt approval of specialty designations via rules.

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9. PEER REVIEW PROGRAM:

(A) Approval of Administering Organizations for the 2001-2002 Cycle: Based upon the recommendation from the June 7, 2001 Quality Review Oversight Committee meeting, Mr. Stewart motioned for the Board to approve the following Administering Organizations: AICPA-SECPS, California Society of CPAs, Florida Institute of CPAs, Idaho Society of CPAs, Illinois CPA Society, Kansas Society of CPAs, Maryland Association of CPAs Inc., Montana Society of CPAs, Nevada Society of CPAs, National Society of Accountants, Oregon Society of CPAs, Texas Society of CPAs, and Washington Society of CPAs. Mr. Etter seconded the motion. Motion carried. The list of Administering Organizations will be available on the ISBA website.

(B) Appointment of QROC Members: Mr. Stewart motioned to reappoint Bette Jo Berryman, LPA; Scott Dockins, CPA; and Jerry Tarter, LPA to the Quality Review Oversight Committee (QROC) for three-year terms. Mr. Etter seconded the motion. Motion carried. Mr. Jones stated he was the Board liaison for the June meeting and was impressed with the work of the committee.

10. ELECTION OF OFFICERS and COMMITTEE LIAISONS FOR UPCOMING YEAR

(A) Chair, Vice-Chair, Secretary, Treasurer Nominations and Election: Mr. Etter motioned on the nominations of the slate of officers for the upcoming year: J. Thomas Jones, CPA, Chair; Lela D. "Kitty" Pumphrey, CPA, Vice-Chair; Larry R. Bird, CPA, Secretary; Larry Stewart, LPA, Treasurer. Mr. Stewart seconded the motion. Motion carried.

(B) QROC Liaison: Appointment of Board liaison will occur at the fall Board Meeting. Board members will advise Mr. Jones or Ms. Porter of their interest in the position prior to the meeting.

(C) CPE Liaison: Appointment of Board liaison will occur at the fall Board Meeting. Board members will advise Mr. Jones or Ms. Porter of their interest in the position prior to the meeting.

(D) Recognition of the Out-Going-Chair: Mr. Jones recognized Samuel K. Cotterell's sincere commitment and service to the Board from September 1, 1996 through August 31, 2001. Mr. Cotterell was presented an engraved plaque, a State of Idaho 5-year service cup, a 5-year service certificate signed by Governor Kempthorne, and a Board resolution of thanks signed by Mr. Jones.

11. FALL BOARD MEETING AND CONFIRMATION OF DELEGATES TO NASBA ANNUAL MEETING:

The Fall Board Meeting will be held at the Owyhee Plaza, Boise, Idaho on October 10, 2001 starting at 9:00 AM. Mr. Jones, Mr. Stewart, Ms. Pumphrey, Mr. Pilcher, and Ms. Porter will attend the NASBA Annual Meeting on October 14 – 17, 2001.

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There being no further business before the Board, the meeting was adjourned at 1:35 PM.

Samuel K. Cotterell, CPA, Chair

J. Thomas Jones, CPA, Vice-Chair

Lela D. Pumphrey, CPA, Secretary