

MINUTES

IDAHO STATE BOARD OF ACCOUNTANCY

Boise, Idaho

June 18, 2002

REGULAR SESSION

The Regular Session of the Idaho State Board of Accountancy was called to order at 9:05 AM with Chair J. Thomas Jones, CPA presiding. The Board adjourned to Executive Session at 9:07 AM. The Executive Session concluded at 11:40AM. After a brief recess, the Regular Session resumed for a working lunch at 11:55 AM. The Regular Session adjourned at 1:30 PM.

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

Barbara Porter Executive Director, Sue Lenon Board Secretary, and Larry Hunter Attorney were present as Board staff. Sam Cotterell representing the Investigative Committee attended the Executive Session. Linda Trent and Terry Bayless, 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 24, 2002 Regular Session. Mr. Pilcher seconded the motion. Motion carried.

2. EXECUTIVE SESSION:

Mr. Jones, Chair, citing *Idaho Code* Section 67-2345 (1)(d) & (f), called for a vote to adjourn to Executive Session for discussion of complaints, disciplinary proceedings and examination applicant special considerations. All members of the Board present voted as follows: Tom Jones, CPA, yes; Larry Bird, CPA, yes; Kitty Pumphrey, CPA, yes; and Don Etter, yes; Jim Pilcher, CPA, yes; Craig Rasmussen, CPA, yes. When the Regular Session resumed, the Board addressed the items from the June 18, 2002 Executive Session.

(A) *Approve Minutes:* Ms. Pumphrey motioned to approve the minutes of the April 24, 2002 Executive Session. Mr. Pilcher seconded the motion. Motion carried.

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(B) Advice from Legal Counsel Dealing with Issues Brought to Board Members on an Individual Basis: Mr. Hunter discussed ways of remaining neutral and maintaining objectivity with disciplinary issues or contested cases.

(C) Status Report on Complaints: Mr. Cotterell updated the Board on the status of open dockets. Board action was taken after the Regular Session resumed. *Docket #2002-10:* Mr. Etter motioned to dismiss and close the docket with a cautionary letter as recommended by the Investigative Committee. Mr. Rasmussen seconded. Motion carried. *Docket #2002-11:* Ms. Pumphrey motioned to dismiss and close the docket for lack of probable cause with a letter as recommended by the Investigative Committee. Mr. Pilcher seconded. Motion carried.

(D) Special Consideration – (1) Exam Applicant: The Board recommended a subcommittee interview the applicant for clarification of answers provided in the exam application.

(2) Reinstatement Applicant: Ms. Pumphrey motioned to deny the application for reinstatement of Mr. Atkinson's CPA license. Mr. Pilcher seconded. Motion carried.

The Board recognized the exceptional work done by the Investigative Committee and the progress the committee has made in its first year. Ms. Pumphrey motioned to modify Rule 400.08 to allow the Board to appoint at least three active licensees to the committee. The Board's preference is that at least one of the Investigative Committee members be a former member of the Idaho State Board of Accountancy. Mr. Pilcher seconded. Motion carried.

3. DIRECTOR'S REPORT:

(A) Upgrading PCs: Ms. Porter reported the cost of upgrade the four PCs and the server was \$4,100 less than the maximum amount authorized by the Board at the April 24, 2002 meeting.

(B) Rules: Ms. Porter distributed copies of the rules that were submitted to the Office of Administrative Rules for the adoption process. The rules to implement HB 485 go into effect as temporary rules effective July 1, 2002. The rules become permanent after the review and approval of the 2003 Legislature. Ms. Pumphrey, on behalf of all the Board members, thanked Ms. Porter for her excellent work in drafting the new rules.

(C) Peer Review Oversight Committee: Louis Henry, CPA and Oversight Committee Chair, will be attending NSA's Peer Review program in August for an onsite review. Recommendations from the Oversight Committee on Administering Organizations will be presented to the Board at the fall meeting. Mr. Rasmussen motioned to extend last year's list of approved Administering Organizations pending the Oversight Committee's recommendation. Mr. Etter seconded. Motion carried. An appointment to the Peer Review Oversight Committee will be addressed at the fall Board Meeting.

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(D) *NASBA Focus Questions*: The NASBA Focus Questions were presented for the Board's review and input on the adoption of the national standard transitioning rules for the computerized CPA exam. Mr. Rasmussen motioned to submit Ms. Pumphrey's name for NASBA's Computer Based Exam Committee. Mr. Pilcher seconded. Motion carried.

4. TREASURERS REPORT:

Current Fiscal Year-to-Date: The Board reviewed the Treasurers Report reflecting the first eleven months of FY 2002.

5. APPLICANTS FOR LICENSURE:

Mr. Rasmussen motioned to approve licenses CP- 4091 through CP-4094 with the following effective dates. Mr. Etter seconded. Motion carried.

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New Licensees

SHAUL, JOANN MARIE	CP-4091	5/13/2002 Exam
COOK, ROBIN ANN	CP-4092	5/14/2002 Exam
ORTON, MATTHEW	CP-4093	5/16/2002 Exam
WARD, JEREMY DAVID	CP-4094	5/16/2002 Exam

Mr. Rasmussen motioned to approve licenses CP-4095 through CP-4103 effective July 1, 2002. Mr. Etter seconded. Motion carried.

New Licenses effective July 1, 2002 (CP-4095 – CP-4103)

AIELLO JR, MICHAEL ALBERT	CP-4095	7/1/2002 Exam
BELLOMY, STEPHEN D	CP-4096	7/1/2002 Exam
BERG, ROBBI KIERSTEN	CP-4097	7/1/2002 Exam
BINGHAM, JOSHUA J	CP-4098	7/1/2002 Exam
BLODGETT, DAVID JAY	CP-4099	7/1/2002 Reciprocity MT
CLEMENTS, BRYAN JOHN	CP-4100	7/1/2002 Exam
GILLENWATER, RICHARD B	CP-4101	7/1/2002 Exam
WALDRON, DEBRA J	CP-4102	7/1/2002 Exam
WARD, RONALD KENT	CP-4103	7/1/2002 Exam

6. NASBA WESTERN REGIONAL CONFERENCE:

(1) *Self-Directed Semi Independence Agency status*: The Board discussed the concept of SDSI agency status and its applicability to Idaho. Ms. Pumphrey motioned to create an exploratory subcommittee. Mr. Rasmussen seconded the motion and agreed to serve as Chair. Motion carried.

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(2) *Peer Review*: Members discussed the ramifications of firms receiving substandard reports when undergoing Peer Reviews. Consensus was to explore expanding the Board's regulatory authority. Mr. Jones, Board Liaison, will meet with the Peer Review Oversight Committee in early August. The concept will be presented to the Oversight Committee for their input. Future meetings may be coordinated with the Idaho Society of CPAs and the Idaho Association of Public Accountants to discuss the issues.

7. ELECTION OF OFFICERS and COMMITTEE LIAISONS FOR UPCOMING YEAR:

(A) *Chair, Vice-Chair, Secretary, Treasurer Nominations and Election*: Mr. Etter motioned the nominations for officers in the upcoming year be Lela D. "Kitty" Pumphrey, CPA, Chair; Larry R. Bird CPA, Vice-Chair; James R. Pilcher, CPA, Secretary; R. Craig Rasmussen, CPA, Treasurer. Mr. Rasmussen seconded the motion. Motion carried.

(B) *Oversight Committee Liaison and CPE Liaison*: Appointment of Board liaison for each committee will occur at the fall Board meeting. Board members will advise Ms. Pumphrey or Ms. Porter of their interest in the position prior to the meeting.

(C) *Recognition of the Out-Going-Chair*: Mr. Rasmussen presented certificates of appreciation and recognized the outgoing Chair of the Board, Mr. J. Thomas Jones, for his service this past year and his sincere commitment to the Board the last 20 years. Mr. Rasmussen also recognized the Board's LPA Member, Mr. Larry Steward and the Public Member, Mr. Don Etter for their dedicated service during the last five years.

8. FALL 2002 BOARD MEETING DATE. CONFIRMATION OF DELEGATES TO NASBA ANNUAL MEETING:

The fall Board meeting will be held in Boise, Idaho on Wednesday, October 2, 2002 starting at 9:00 AM. Mr. Jones, Ms. Pumphrey, Mr. Rasmussen and Ms. Porter will represent the Idaho Board at the NASBA Annual Meeting, October 6 – 9, 2002, in New Orleans. Ms. Pumphrey will be Idaho's voting delegate.

There being no further business before the Board, Mr. Rasmussen motioned to adjourn the meeting. Mr. Etter seconded. Motion carried. The meeting adjourned at 1:30 PM.

J. Thomas Jones, CPA, Chair

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Lela D. Pumphrey, CPA, Vice-Chair

Larry Bird, CPA, Secretary