

## MINUTES

### IDAHO STATE BOARD OF ACCOUNTANCY

McCall, Idaho

July 15, 2003

### REGULAR SESSION

The Regular Session of the Idaho State Board of Accountancy was held at the Holiday Inn Hunt Lodge in McCall, Idaho. The meeting was called to order at 8:30 AM with Chair Kitty Pumphrey, CPA presiding. The Board adjourned to Executive Session at 8:37 AM. The Executive Session concluded at 9:45 AM with the Regular Session immediately reconvening. A recess was taken from 10:16 AM to 10:34 AM, the Regular Session immediately resumed. A break was taken from 12:50 PM to 1:00 PM continuing with a working lunch. The Regular Session adjourned at 1:45 PM

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

Barbara Porter Executive Director, Sue Lenon, Sandy Gentry and Kris Pollard were present as Board staff. Board Attorney, Larry Hunter Esq. participated via telephone. Lou Henry, CPA, Peer Review Committee Chair attended portions of the Regular Session via telephone. Melissa Nelson representing the Idaho Society of CPAs and Terry Bayless representing the Idaho Association of Public Accountants attended after the Executive Session.

**1. CONVENE REGULAR SESSION:** Mr. Rasmussen motioned to accept the amended minutes of the April 22, 2003 Board Meeting. Mr. Etter seconded the motion. Motion carried.

**2. EXECUTIVE SESSION:** Kitty Pumphrey, Chair, citing *Idaho Code* Section 67-2345 (1)(b), (d) & (f), called for a vote to adjourn to Executive Session for discussion of disciplinary proceedings, May 2003 Uniform CPA Examination grades, license renewal special considerations, and staff compensation. All members of the Board present voted as follows: Tom Jones, yes; Larry Bird, yes; Bette Jo Berryman, yes; Kitty Pumphrey, yes; Don Etter, yes; Jim Pilcher, yes; and Craig Rasmussen, yes. When the Regular Session resumed, the Board addressed the following Executive Session items:

(A) *Approve Minutes:* Mr. Pilcher motioned to approve the minutes of the April 22, 2003 Board Meeting Executive Session. Mr. Bird seconded the motion. Motion carried.

(B) *Status Reports on Complaints:* Mr. Rasmussen motioned to close dockets #2001-01. Mr. Bird seconded. The motion carried. No action needed on Cease & Desist activity. The Board approved the license renewals of individuals who disclosed information on their license renewal forms. A letter

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acknowledging disclosures on the good moral character inquiries will be sent to licensees stating their licenses will be renewed, and no disciplinary action will be taken this time. However, the disclosure will be a component in the future when considering license renewals

(C) *May 2003 Uniform CPA Exam Grades:* Board took action in Regular Session Item 3.

(D) *Employee Salary Recommendations:* Mr. Rasmussen moved to approve a three percent short term merit increases for each staff member subject to the Governor's Office directive regarding salary increases. Ms. Bird seconded. Motion carried.

**3. EXAMINATION:** Mr. Bird moved to approve the May 2003 grade report from Executive Session. Mr. Etter seconded. Motion carried. Mr. Bird noted the High Scoring Candidate list had not been received. Mr. Bird instructed staff to notify the High Scoring Candidates and Board members when the information is received. Action on High Scoring Candidates and the voiding grades will be taken at the Fall 2003 Board meeting.

Ms. Porter reported the AICPA, NASBA and Prometric are moving on schedule with the Computer Base Testing (CBT). She explained the CBT fee schedule. The rules approved at the April Board Meeting to switch from the paper-and-pencil to computerized examination are going through the rule making process. They will be implemented the day after the November exam.

**4. APPLICANTS FOR LICENSURE:** Mr. Rasmussen moved to accept the following list of new licensees and practice privileges licensees. Mr. Pilcher seconded. Motion carried.

#### New Licensees: CP-4209 through CP-4227

EntityName	FileNumber	Beginning	Method	State
CARTER, JENNIFER JEAN	CP-4209	7/1/2003	Exam	
STOVER, RICHARD C	CP-4210	7/1/2003	Reciprocity	OH
OLSON, KELLY ANN	CP-4211	7/1/2003	Exam	
HOLMQUIST, MATTHEW WILLIAM	CP-4212	7/1/2003	Exam	
BAUER, HEIDI ANN	CP-4213	7/1/2003	Exam	
LLOYD, ERIN	CP-4214	7/1/2003	Exam	
WILSON, MARVIN L	CP-4215	7/1/2003	Reciprocity	MO
ROBSON, DANA M	CP-4216	7/1/2003	Exam	
ARAVE, RYAN JACK	CP-4217	7/1/2003	Exam	
BEHRENDT, SARA ANN	CP-4218	7/1/2003	Exam	
BOWMAN, CHARLES WYNWARD	CP-4219	7/1/2003	Reciprocity	UT
CRUZ, JAMES VINCENT	CP-4220	7/1/2003	Reciprocity	MA
GUERRANT, RHONDA M	CP-4221	7/1/2003	Exam	
HUBBARD, JOLENE MAY	CP-4222	7/1/2003	Exam	
KATOR, WILLIAM GREGORY	CP-4223	7/1/2003	Exam	

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LEYSHON, LISA M	CP-4224	7/1/2003	Exam	
NAIL, MICHAEL M	CP-4225	7/1/2003	Exam	
REDLINE, CARLA WASSMUTH	CP-4226	7/1/2003	Reciprocity	OR
ANDERSON, SARAH ANN	CP-4227	7/1/2003	Transfer of	MA

### Practice Privileges: PP-0043 through PP-0051

EntityName	FileNumber	LicenseBeginning	LicensureMethodState
LEE, JON THOMAS	PP-0043	5/15/2003	MT
LAJOIE, WILLIAM G	PP-0044	7/1/2003	CO
BICKEL, JEFFREY G	PP-0045	7/1/2003	UT
SHIMER, PETER A	PP-0046	7/1/2003	WA
ROODMAN, KELLE	PP-0047	7/1/2003	WA
SIEGEL, RALPH E	PP-0048	7/1/2003	WA
WAGGENER, LETA MAREE	PP-0049	7/1/2003	WA
CHRISTMAN, TRACY	PP-0050	7/1/2003	UT
LEMON, JERRY K	PP-0051	7/1/2003	UT

Mr. Pilcher moved to deny the request to waive the late license renewal fine for Ms. Elena Buxton. Mr. Rasmussen seconded. Motion carried

**5. DIRECTOR'S REPORT:** The Director's activity report for April through July 2003 was distributed. Ms. Porter reported the AICPA asked Sandy Gentry to administer CBT pre-testing activities. Ms. Gentry will attend pre-test training given by AICPA in Sacramento, California, and will administer pre-tests in Logan, Utah in September.

Ms. Porter updated the Board on the new rule effective July 1, 2003 for licensees who did not renew their license within the deadline time of August 1, 2003. Those licenses will be placed into lapsed status for non-compliance. If they wish to reinstate their license in the future, they will be required to submit eighty hours of CPE and pay the appropriate reinstatement fee.

**6. RECORD RETENTION:** Board attorney Larry C. Hunter and Lou Henry, CPA chair of the Peer Review committee joined the board for discussion via conference call. The board discussed: 1) which documents should be in the definition of records to be retained by licensees; 2) what types of engagements should be included in a record retention policy; and 3) how long a period of time records should be retained. The Board took into consideration work being done on the national level by the AICPA and NASBA. Mr. Hunter cautioned the ruling should include a definite time frame and a definition of what papers should be retained. Current AICPA standards refer to "a reasonable period of time" for record retention. Such a definition could vary depending upon how a standard was being applied. After further comments, Mr. Bird moved to table the discussion on developing of a Record Retention rule until a need is

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demonstrated. Further instructions to staff were to continue monitoring national activity and other states' regulatory authorities on the Record Retention issue. Mr. Pilcher seconded. Motion carried with Ms. Pumphrey opposed.

**7. PEER REVIEW PROGRAM CHANGES:** Mr. Rasmussen, Mr. Pilcher and Mr. Jones gave a favorable review of statewide discussions held in conjunction with the ISCPA Annual Meeting and the Tax Roundtables. Licensees discussed the proposed change requiring firms to submit the Peer Review Report, Letter of Comments, Letter of Response, and Acceptance Letter to the Peer Review Oversight Committee beginning this fall. The four documents would allow the Oversight Committee to become aware of continual problems with firms complying with professional standards. Mr. Rasmussen moved to require the four documents be submitted to the Peer Review Oversight Committee with the 2003/2004 Firm Registration. Mr. Bird seconded. Motion carried unanimously. The Board noted that if the Oversight Committee finds firms continually unable or unwilling to comply with professional standards, the Oversight Committee has the responsibility to refer the situation to the Investigative Committee as a possible complaint for investigation.

**8. TREASURERS REPORT:** The Board reviewed the Treasurers Report for FY 2003, which ended June 30, 2003. Ms. Pumphrey authorized the newly elected Treasurer to review the FY2005 budget request as prepared by Ms. Porter prior to its submission. The request is due to the Budget Offices by September 2, 2003.

**9. NASBA WESTERN REGIONAL MEETING:** Ms. Porter congratulated Ms. Pumphrey on her appointment to NASBA's Examination Review Board (ERB). Ms. Pumphrey's involvement with ERB will be beneficial to Idaho and all states with the implementation of CBT. NASBA held discussion groups on the topic "Assessing the Impact" of the Sarbanes-Oxley Act in the following areas: Scope of Services; Compensation, Rotation, Board Composition and Ethics; Firm Inspection; Relationships with PCAOB, Other Domestic and International Regulatory Agencies and Professional Associations; and Corporate Governance. The background paper and the summary of the Regional Meeting discussions will be the backbone for assisting states in making regulatory changes necessary to address the results of Sarbanes-Oxley.

**10. ELECTION OF OFFICERS:** Mr. Jones motioned the nominations of officers: Larry Bird, Chair; Jim Pilcher, Vice-Chair; Craig Rasmussen, Secretary; Bette Jo Berryman, Treasurer; and Kitty Pumphrey, Past-Chair. The Board voted unanimously in favor of the incoming officers. As the new Chair, Mr. Bird will make appointments for CPE Committee liaison, PROC liaison, and Chair of the Investigative Committee at the fall meeting.

Mr. Bird read a resolution of appreciation to Mr. J. Thomas Jones, CPA who will complete his five-year

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Board appointment at the end of August 2003. Mr. Bird presented Mr. Jones with a plaque, a “five-years of service” mug, and a wall certificate.

Mr. Bird expressed appreciation on behalf of the Board to Ms. Kitty Pumphrey for her year as Chair on the Board.

Board members and staff attending the NASBA Annual Meeting will be Mr. Bird as Idaho’s Voting Member, Ms. Pumphrey, Mr. Pilcher, Mr. Rasmussen, and Ms. Porter.

**11. NEXT BOARD MEETING:** The next meeting of the Idaho State Board of Accountancy is scheduled for Wednesday, September 24, 2003 in Boise.

There being no further business before the Board, the meeting was adjourned at 1:45 PM.

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Lela D. “Kitty” Pumphrey, CPA, Chair

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Larry R. Bird, CPA, Vice-Chair

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James R. Pilcher, CPA, Secretary