

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
Boise, Idaho
April 28, 2004
REGULAR SESSION

The Regular Session of the Idaho State Board of Accountancy was called to order at 8:45 AM with Chair Larry Bird, CPA presiding. The Board adjourned to Executive Session at 8:47 AM. The Executive Session took a short break from 10:05AM to 10:10AM and concluded at 10:50AM with the Regular Session immediately reconvening. A break for lunch was taken from 11:50AM to 12:25PM with the Regular Session resuming at that time. A break was taken from 1:30PM to 1:50PM. The Regular Session adjourned at 2:10 PM.

ROLL CALL: The following members of the Board were present:
Larry Bird, CPA, Chair
Jim Pilcher, CPA, Vice-Chair
Craig Rasmussen, CPA, Secretary
Bette Jo Berryman, LPA Treasurer
Lisa Donnelley, CPA Member
Don Etter, Public Member

Kitty Pumphrey, CPA, Past Chair, on a teaching assignment in Australia, was absent and excused.

Barbara Porter Executive Director, Sue Lenon Board Secretary, and Larry Hunter Attorney were present as Board staff. Sam Cotterell, Investigative Chair, was present during the Executive Session. Melissa Nelson representing the Idaho Society of CPAs and Linda Trent representing the Idaho Association of Public Accountants attended after the Executive Session.

1. CONVENE REGULAR SESSION:

Approve Minutes: Mr. Rasmussen motioned to accept the minutes of the December 3, 2003 Board Meeting. Ms. Donnelley seconded the motion. Motion carried.

2. EXECUTIVE SESSION:

Larry Bird, 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, November 2003 Uniform CPA Examination grades, April – May 2003 exam special considerations, and staff performance evaluations. All members of the Board present voted as follows: Lisa Donnelley, yes; Larry Bird, yes; Bette Jo Berryman, yes; Don Etter, yes; Jim Pilcher, yes; and Craig Rasmussen, yes.

3. ACTION ITEMS FROM THE EXECUTIVE SESSION:

When the Regular Session resumed, the Board addressed the items from the Executive Session. (A) *Approve Minutes:* Mr. Pilcher motioned to approve the minutes of the December 3, 2003 Board Meeting Executive Session. Ms. Berryman seconded the motion. Motion carried.

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(B) Status Reports on Complaints: Mr. Etter moved to close dockets #2003-06, #2003-07 and #2003-08. Mr. Rasmussen seconded. Motion carried. Dockets #2004-01, #2004-02 and #2004-03 will remain open.

(C) Cease & Desist: Ms. Porter and Ms. Lenon advised the Board on C&D dockets CD2004-01 and CD2004-02. No action needed.

(D) November 2003 Uniform CPA Exam Grades, Void Grades and High Scoring Candidates: Board took action in Regular Session Item 6.

(E) Employee Evaluations & Salary Recommendations: Evaluations were available for Board to review. Mr. Rasmussen moved to approve two percent merit increases for each employee, subject to the directive from the Governor's Office and the additional one percent in FY 2005 depending the outcome of the General Fund after the close of FY 2004. Mr. Pilcher seconded. Motion carried.

(F) Legal Counsel Hourly Rate Change Request: Mr. Rasmussen moved to accept the request of Moffatt Thomas Barrett Rock & Field, Chtd for an increase in compensation of approximately eight and one half percent for the Board's legal counsel, Mr. Larry Hunter, ESQ, from \$120 to \$130 per hour. Ms. Donnelley seconded. Motion carried.

(G) Suggested Rule 403 Change: The Board took into consideration a request to add additional language regarding the sale of a firm and the transfer of client records. After discussion, the Chair directed Ms. Porter to draft response indicating the Board feels the rules are adequate as written.

4. DIRECTOR'S REPORT:

(A) Update on Letter to Governor Kempthorne on Blue Ribbon Recommendations: A copy of Chair Larry Bird's letter and Governor Kempthorne's response were provided as information to the Board with the understanding the issue may be revisited in the future.

(B) Expedited Approach for Firm Registration If Firm doesn't Offer "Peer Reviewable" Services: Board Legal Counsel Larry Hunter reviewed the Staff proposal to incorporate the Firm Registration information on the License Renewal Form for firms that meet this criteria. The change would eliminate additional mailings and filings for these firms. The Board endorsed the expedited approach.

(C) Miscellaneous Board Approval: Mr. Rasmussen moved to approve the installation of a water cooler and provide water refills at Board cost for the office because of the poor quality and taste of the water within the Owyhee Plaza. Ms. Berryman seconded. Motion carried. Mr. Pilcher moved to approve sending Ms. Lenon, Disciplinary Coordinator, to the National Investigator/Inspector Training in Kansas City, Missouri in late September. Mr. Rasmussen seconded. Motion carried.

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(D) NASBA Initiatives: A copy of an exposure draft on the proposed changes to the Uniform Accountancy Rules was presented to the Board. The Board reviewed the proposed UAA rule changes on Reciprocity Practice Privileges, on the Submission of Peer Review Reports, on Document Retention, and on Self Reporting. The Board noted that Idaho complies with the intent of all but the Document Retention proposal. The Board did not find sufficiently broad public interest in audits of non-publicly traded companies to justify the onerous and costly requirements contained in this recommended change. They feel the incremental benefits of the proposal are not justified by the potentially significant increase in audit costs to non-public companies. The Board directed Ms. Porter to draft a response to NASBA stating the Board's approval of three of the four proposed UAA Rule changes, and the reasons for their objections to the Document Retention rule.

The 2004-2005 Committee interest form from NASBA was provided to the Board members along with a list of the different committees and their functions. Board members are encouraged to volunteer for NASBA Committees. Ms. Porter has served for seven years on the Executive Directors Committee and Ms. Pumphrey is currently on the ERB Board.

The registration for NASBA's Western Regional Meeting June 16-18, 2004 was presented to the Board. Mr. Pilcher and Ms. Donnelley will represent Idaho along with Ms. Porter.

(E) Director's Report: Ms. Porter's activities for December 2003 to April 2004 were presented for the Board's information.

5. TREASURERS REPORT:

The treasurer report ending March 2004 was presented for the Board's information and approved. Ms. Porter noted the percentage of change in the exam revenue and expenses for current year over prior year are due to the April 2004 conversion to a computerized CPA Examination.

6. NEW LICENSEES AND PRACTICE PRIVILEGES:

Mr. Rasmussen moved to ratify the following list of new licensees, including the special consideration applicant considered in Executive Session. Licenses CP-4296 through CP-4344 are effective upon issuance. The additional three are effective July 1, 2004. Ms. Donnelley seconded. Motion carried.

NEW LICENSEES CP-4296 to CP-4344

ALTMAN, BENJAMIN JOSEPH	CP-4305	Transfer of Grades	WA	1/14/2004
ASHLIMAN, RANDELL KENT	CP-4319	Exam		2/2/2004
BARBER, KRISTEN S	CP-4313	Exam		1/14/2004
BERRY, DEANNA JOY	CP-4334	Reciprocity	CA	3/16/2004
BJEKIC, YULIA	CP-4311	Exam		1/14/2004

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BOUWMAN, FREDERICK J	CP-4298	Foreign Reciprocity	Canada	1/1/2004
BRYSON, MCRA Y	CP-4332	Reciprocity	NV	3/11/2004
BUNN, DALE ADEN	CP-4341	Exam		4/9/2004
CANALES, LAURA L	CP-4329	Exam		3/4/2004
CEREGHINO, CARRIE JO	CP-4324	Exam		2/5/2004
CLAUSEN, WENDY KATHLEEN	CP-4337	Exam		3/25/2004
CROFT, KRISTINE LEA	CP-4307	Reciprocity	CA	1/14/2004
DAMRON, DREW T	CP-4299	Exam		1/1/2004
DUFAULT, GARY A	CP-4335	Reciprocity	AZ	3/17/2004
EDWARDS, CHRISTINE MARIE	CP-4336	Exam		3/17/2004
FRANCIS, KERRY LYNN	CP-4342	Reciprocity	CA	4/21/2004
JAMES, STACY A	CP-4325	Reciprocity	WA	2/5/2004
JOHNSON, SARA FRANCES	CP-4306	Reciprocity	CA	1/14/2004
LANGLEY, SUSAN MARIE	CP-4309	Transfer of Grades	MT	1/14/2004
LEMON, JERRY K	CP-4314	Reciprocity	UT	1/14/2004
MCKENZIE, MERRY CHRISTINE	CP-4304	Reciprocity	WY	1/14/2004
MIDDLETON, MICHAEL L	CP-4330	Exam		3/9/2004
NICHOLS, ALICIA ANN	CP-4312	Exam		1/14/2004
NICHOLSON, JILL LYNN	Cp-4343	Exam		4/21/2004
NOLAN, LISA SUSANNE	CP-4318	Exam		2/2/2004
NORTON, JAMIE JO	CP-4340	Transfer of Grades	MT	4/6/2004
OMER, S CRAIG	CP-4326	Reciprocity	UT	2/17/2004
PRICE, TODD LYNN	CP-4320	Exam		2/4/2004
ROLTGEN, JEFFREY SCOTT	CP-4308	Transfer of Grades	CA	1/14/2004
ROSE, ELIZABETH E	CP-4321	Transfer of Grades	PA	2/4/2004
SHAPPEE, ROBERT MICHAEL	CP-4327	Exam		2/17/2004
SIOK, BRANDON M	CP-4331	Reciprocity	MD	3/9/2004
SKINNER, MATTHEW A	CP-4316	Exam		2/2/2004
STEVENS, MARK WOODROW	CP-4303	Reciprocity	UT	1/14/2004
SUTTON, MELANEE	CP-4296	Exam		12/10/2003
THOMPSON, JASON C	CP-4333	Exam		3/16/2004
TSAKRIOS, SARA ASHLY	CP-4310	Exam		1/14/2004
WALCKER, DAVID MICHAEL	CP-4317	Exam		2/2/2004
WALLACE, DAREN M	CP-4344	Exam		4/21/2004
WARD, BEAU CHRISTIAN	CP-4323	Exam		2/5/2004
WARD, CLAYTON E	CP-4328	Exam		3/4/2004
WEBB, JESSICA DAWN	CP-4301	Exam		1/1/2004
ZUNDEL, JENIFER	CP-4339	Reciprocity	GA	3/25/2004

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Licenses approved effective July 1, 2004:

Staci Harwood
Dena Jozwik
Yong Ja Tanaka

Mr. Pilcher advised the Board of the recent passing of Jack Hayden CP-0049. Mr. Hayden was one of the founding members of Hayden Ross in Moscow, Idaho.

Mr. Etter moved to ratify Practice Privileges from PP-0065 through PP-0087. Ms. Berryman seconded. Motion carried.

New Practice Privileges	PP-0065 to PP-0087	
PP-0087	ALLISON, ANTHONY J	04/21/2004
PP-0070	AUGUSTYN, MARY A	12/30/2003
PP-0069	BLEDSON, ROBERT C	12/10/2003
PP-0083	DINGUS, THOMAS D	3/16/2004
PP-0084	DUNCAN, DIANE MERRICK	3/16/2004
PP-0073	FRIEL, JOHN	1/14/2004
PP-0072	GORNEY, ROBERT C	1/12/2004
PP-0077	GRAHAM, REBECCA L	1/28/2004
PP-0081	HACKETT, DAVID	3/10/2004
PP-0085	HOMSLEY, GARY C	3/24/2004
PP-0079	LOMAN, DENNIS C	2/24/2004
PP-0071	MCKINLEY, MARY V	1/6/2004
PP-0065	NEITZKE, TAMARA	12/4/2003
PP-0086	PHINNEY, MICHELLE	4/15/2004
PP-0066	REYNOLDS, GARY W	12/4/2003
PP-0078	ROOZEBOOM, DOUGLAS T	2/5/2004
PP-0075	SAUNDERS, KAREN	1/27/2004
PP-0067	SMITH, DEAN A	12/4/2003
PP-0068	SPENCER, NEAL D	12/10/2003
PP-0076	THOMAS, RICHARD	1/28/2004
PP-0074	VINSON, WAYNE EDWARD	1/22/2004
PP-0080	WENTZEL, FREDERICK GRANT, JR	2/24/2004
PP-0082	ZARECOR, LUKE M	3/16/2004

7. EXAMINATION:

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(A) November 2003 Exam

1. Approve Grades: Ms. Donnelley moved to ratify the November 2003 CPA Exam Grades as reviewed in Executive Session. Mr. Pilcher seconded. Motion carried.

2. Designate High Candidates: Mr. Etter moved to ratify the high scoring candidates from the November 2003 CPA Examination as follows. Ms. Donnelley seconded. Motion carried.

Beverly Marie Walker	354
Noah Lynn Timmons	341
Corrine Fiedler	335

3. Approve/Void Examination Grades: Ms. Donnelley moved to void the November 2003 CPA Examination grades discussed in Executive Session for two candidates who did not sit for all parts of the exam. Mr. Rasmussen seconded. Motion carried, with Mr. Bird recusing himself from the vote.

(B) April-May 2003 Master Candidate List: Mr. Rasmussen moved to approve the list of Exam Candidates with the ATTs (Authorization to Test) issued, including the two Special Consideration candidates discussed in the Executive Session. Ms. Donnelley seconded. Motion carried.

EntityName	ExamDate	ExamType	ExamStatus
ADRIAN, CYNTHIA RHEA	2/29/2004	RE	ATT
AKINS, MELISSA JO	2/29/2004	RE	ATT
ALLEN, KATINA MARIE	3/25/2004	RE	ATT
BAILEY, CHAD AARON	2/29/2004	RE	ATT
BLONQUIST, AARON DON	2/29/2004	RE	ATT
BORJAS, DAVID LEON	3/16/2004	RE	ATT
BOWDEN, JAMES EDWARD, 3 RD	3/10/2004	RE	ATT
BROWN, DAVID MCKAY	3/10/2004	FT	ATT
BUCKENDORF, BENJAMIN DAVID	2/29/2004	RE	ATT
BURKE, CAROLYN MARIE	2/29/2004	RE	ATT
CALDWELL, MICHELLE JANETTE	3/24/2004	RE	ATT
CHRISTENSEN, TAMARA ODILIE	3/24/2004	RE	ATT
CLARK, DEAN J	3/24/2004	RE	ATT
COX, AMY	4/6/2004	RE	ATT
DANIEL, SANDRA J	2/29/2004	RE	ATT
DAVIS, SUSAN D	3/10/2004	RE	ATT
ELLIS, JASON CODY	3/10/2004	RE	ATT
ELVEN, CONSTANCE RENEE	2/29/2004	FT	ATT
FARNSWORTH, CHRISTOPHER SAMUEL	2/29/2004	RE	ATT
FETZER, THOMAS HENNEFER	2/29/2004	FT	ATT

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EntityName	ExamDate	ExamType	ExamStatus
GIBSON, WENDY LU	3/25/2004	RE	ATT
GOLDING, KEITH BURNETT	2/29/2004	RE	ATT
GREENTREE, JOHN DUANE	3/10/2004	RE	ATT
GRIEGER, NATALIE	2/29/2004	RE	ATT
HACKING, JEREMY GALE	3/16/2004	FT	ATT
HAGEN, DASHA ERIKA	2/29/2004	RE	ATT
HOLLEY, PATRICIA	2/29/2004	RE	ATT
HUDSON, RHEANON LYNN	2/29/2004	RE	ATT
JOHNSON, WARREN TYLER	4/6/2004	RE	ATT
KEARSLEY, BRIAN PAUL	2/29/2004	FT	ATT
KIEL, STEVEN MICHAEL	2/29/2004	FT	ATT
KROHN, KELLY CHARLES	2/29/2004	FT	ATT
KUNZMAN, JOSEPHINE WATERS	4/6/2004	RE	ATT
LABERNIK, CYNTHIA MAY	2/29/2004	FT	ATT
LANE, JANANNE L	2/29/2004	RE	ATT
LEE, LITZE	2/29/2004	RE	ATT
LINDSAY, AMY ERICKA	3/16/2004	RE	ATT
LINGBLOOM, HEATHER ILEA	3/16/2004	TR	ATT
LIU, CHEN YI	2/29/2004	FT	ATT
LOVELL, TARA JEAN	3/16/2004	FT	ATT
MARSHALL, BONNIE JO	2/29/2004	RE	ATT
MEADOR, BYRON KEITH	3/10/2004	RE	ATT
METCALF, JENIFER KATHRIN	2/29/2004	RE	ATT
NADARSKI, DANIEL JOSEPH	3/25/2004	FT	ATT
NEIWERT, RANDI KAY	2/29/2004	RE	ATT
PAYNE, PAMELA JEAN	2/29/2004	FT	ATT
PETERSON, JASON LEE	2/29/2004	RE	ATT
PHAKAKAYAI, ORLALAK	2/29/2004	RE	ATT
RASMUSSEN, JON ALAN	3/10/2004	FT	ATT
RHUMAN, RANDALL MACK	3/10/2004	RE	ATT
RUSSELL, LAURA LEIGH	2/29/2004	FT	ATT
SALAZAR, MANUEL OLIVA	3/16/2004	RE	ATT
SALES, KYLE DEAN	2/29/2004	FT	ATT
SANTEE, BRIANA LEIGH	4/6/2004	RE	ATT
SCHWEIGERT, JACLYN RAE	2/29/2004	RE	ATT

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EntityName	ExamDate	ExamType	ExamStatus
SHERVIN, MARGARET	3/10/2004	RE	ATT
SMITH, ABRAHAM G	2/29/2004	RE	ATT
STOKER, LANCE BRADSHAW	4/6/2004	RE	ATT
VANCE, JAMES OTIS	3/16/2004	RE	ATT
VASHRO, CHRISTOPHER CHARLES	4/7/2004	FT	ATT
WALKER, TASHA LEE	2/29/2004	RE	ATT
WALTERS, PAUL RAYMOND	3/24/2004	RE	ATT
WHITE, MICHAEL	2/29/2004	FT	ATT
WILLIS, TABBATHA LEE	2/29/2004	RE	ATT
WOLFF, MATTHEW B	3/24/2004	RE	ATT
YEARSLEY, THOMAS WILLIAM	3/24/2004	FT	ATT
YOUNGWIRTH, DEBORAH	2/29/2004	RE	ATT
ZVERKOV, ALEKSEY	2/29/2004	FT	ATT

(C) Computer Based Testing Update Information: Ms. Porter reported everything is processing through the Gateway and testing began on April 5th. The contract with NASBA is still in progress due to timing problems for NASBA to address each of the non-CPAES states individually.

8. APPOINTMENTS TO THE PEER REVIEW OVERSIGHT COMMITTEE:

(A) PROC Appointments: Mr. Pilcher moved to reappoint the two existing members of the committee whose terms expire June 30, 2004. Both Scott Dockins, CPA and Jerry Tarter, LPA indicated they would like to be reappointed. Don Etter seconded. Motion carried. A new Chair will be appointed by the Board later this year.

(B) Firm Registration Fee: Staff requested the Board review the Firm Registration fee in Rule 702 and direct staff for the 2004-2005 Firm Registration year. The fee for annual firm registration is twenty dollars (\$20) per firm plus five dollars (\$5) for each licensee in the firm up to a maximum of two hundred dollars (\$200) per firm. This fee has been waived in recent years. Mr. Pilcher moved to suspend the 2004-2005 Firm Registration fee. Ms. Berryman seconded. Motion carried.

9. UPDATE BY CPE COMMITTEE CHAIR JAMES BELL, CPA (via conference call):

Mr. Bell updated the Board with statistics from the March 4, 2004 CPE Committee meeting. During the 2003 CPE reporting period 2,371 licensees filed CPE reports, and 116 licensees were audited. The quality of CPE taken is excellent and compliance with Board rules is virtually 100%.

10. UPCOMING NASBA MEETINGS:

Ms. Porter, Mr. Pilcher and Ms. Donnelley will represent the Board at the Western Regional

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Meeting June 16 – June 18, 2004. NASBA’s 97th Annual Meeting will be held October 17 – October 20, 2004 in Chicago, Illinois. Board member will confirm their attendance at the Annual Meeting during the next Board meeting.

The next Summer Board Meeting will be held July 29, 2004 in McCall, Idaho.

There being no further business before the Board, the meeting was adjourned at 2:08 PM.

Larry R. Bird, CPA, Chair

James R. Pilcher, CPA, Vice-Chair

R. Craig Rasmussen, CPA, Secretary