

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
McCall, Idaho
July 29, 2004
REGULAR SESSION

The Regular Session of the Idaho State Board of Accountancy was held at the Hotel McCall Library Room in McCall, Idaho. The meeting was called to order at 8:35 AM with Chair Larry Bird, CPA presiding. The Board adjourned to Executive Session at 8:40 AM. The Executive Session concluded at 9:57 AM with the Regular Session immediately reconvening. A break was taken from 10:07 AM to 10:35 AM with the Regular Session resuming at that time. Regular Session adjourned at 12:15 PM.

ROLL CALL: The following members of the Board were present:

Larry Bird, CPA, Chair
Jim Pilcher, CPA, Vice-Chair
Bette Jo Berryman, LPA Treasurer
Lisa Donnelley, CPA Member
Don Etter, Public Member
Kitty Pumphrey, CPA, Past Chair

Absent and Excused:

Craig Rasmussen, CPA, Secretary

Barbara Porter, Executive Director; Sue Lenon, Board Secretary; and Larry Hunter Attorney were present as Board staff. Terry Bayless, representing the Idaho Association of Public Accountants, attended after the Executive Session.

1. APPROVE MINUTES: Mr. Pilcher moved to accept the minutes of the April 28, 2004 Board Meeting. Ms. Donnelley seconded. 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; exam special considerations and scores; licensure special considerations and disclosures; staff salary; and appointment of the Investigative Committee Chair. 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 Kitty Pumphrey, yes.

3. ACTION ITEMS FROM THE EXECUTIVE SESSION: When the Regular Session resumed, the Board addressed items from the Executive Session.

(A) Approve Minutes: Ms. Berryman moved to approve the minutes of the April 28, 2004 Board Meeting Executive Session. Mr. Etter seconded. Motion carried.

(B) Status Reports on Complaints: Ms. Donnelley moved to reopen Docket #2003-06 and refer it back to the Investigative Committee for review of additional information received after the docket was closed. Mr. Pilcher seconded. Motion carried.

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
McCall, Idaho
July 29, 2004
REGULAR SESSION

(C) Cease & Desist: Ms. Porter and Ms. Lenon advised the Board on recent actions.

(D) Exam Special Considerations and Scores: Board action is found in Item 7.

(E) Licensure Special Considerations and Disclosures: Board action is found in Item 6.

(F) Employee Salary Recommendations: Ms. Pumphrey moved to approve a merit increase for each of the four employees, subject to the directive from the Governor's Office regarding salary increases. Mr. Etter seconded. Motion carried.

(G) Investigative Chair Reappointment: Mr. Pilcher moved to reappoint Brad Swan, Lewiston for another three-year term on the Investigative Committee. Ms. Donnelley seconded. Motion carried. Mr. Pilcher moved to appoint Ms. Pumphrey to the one-year term as Chair of the Investigative Committee, effective at the end of her Board term. Ms. Donnelley seconded. Motion carried. Mr. Bird directed Ms. Porter to draft a letter of recognition to Sam Cotterell for his exemplary job as the "charter" chair of the Investigative Committee for the past three years, along with his involvement with NASBA and PCAOB.

4. DIRECTOR'S REPORT:

(A) Possible Rule Changes: The Board discussed possible rule changes. Idaho's rules should be evaluated and reworded as appropriate regarding Firm Registration and Peer Review; applicable national standards; and AICPA Center for Public Company Audit Firms.

(B) NASBA Quarterly Focus Questions: The Board reviewed the current response.

(C) PCAOB Rules Regarding Regulatory Agencies: Mr. Cotterell, a member of the PCAOB standing advisory committee, provided a copy of the PCAOB rules regarding cooperative work with regulatory agencies, specifically state boards of accountancy.

(D) Access Idaho Update: Access Idaho contracts with state agencies to develop on-line programs. They create web sites, and interfaces for submitting applications and making payments via the Internet. Access Idaho is currently working with ISBA. They anticipate the ability to renew licenses and practice privileges on-line with a credit card in 2005.

(E) Director's Report: Ms. Porter's informed the Board of her activities since April 2004.

5. TREASURERS REPORT: The Board reviewed the Treasurers Report for FY 2004, which ended June 30, 2004. Mr. Pilcher delegated authority to the newly elected Treasurer to review the FY2006 budget request as prepared by Ms. Porter and approve it for submission. The request is due to the Governor's Division of Financial Management and Legislative Budget Office by September 1, 2004.

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
 McCall, Idaho
 July 29, 2004
REGULAR SESSION

6. LICENSEES AND PRACTICE PRIVILEGES:

(A) New Licensees: Ms. Berryman moved to ratify the following list of new licensees, CP-4345 to CP-4370. Ms. Donnelley seconded. Motion carried.

Name	License #	Licensure	Date
ANTTONEN, BRIAN DOUGLAS	CP-4363	Exam	7/14/2004
ECKSTEAD, MIKE C	CP-4368	Exam	7/28/2004
BLAIR, KIRK A	CP-4345	Reciprocity – NJ	7/1/2004
CATHER, CHARLES EDWARD	CP-4346	Reciprocity - VA	7/1/2004
CLARK, DEAN J	CP-4366	Exam	7/15/2004
DE LEON, KINDEL JO	CP-4362	Exam	7/14/2004
FARNSWORTH, CHRISTOPHER SAMUEL	CP-4364	Exam	7/14/2004
GUNSTREAM, TREVOR WILLIAM	CP-4369	Exan	7/28/2004
HARWOOD, STACI LYNN	CP-4347	Exam	7/1/2004
HINES, MELISSA LEE	CP-4367	Exam	7/15/2004
JOZWIK, DENA D	CP-4348	Reciprocity - CA	7/1/2004
KENNY, MICHELE M	CP-4349	Reciprocity - CA	7/1/2004
MARTIN, WILLIAM F	CP-4358	Exam	7/1/2004
MORSE, TERRI B	CP-4365	Exam	7/14/2004
MUNGER, SHELLY L	CP-4350	Exam	7/1/2004
OBERHANSLEY, AARON TROY	CP-4355	Transfer of Grades - OR	7/1/2004
POST, DALE FAIRBANKS	CP-4361	Exam	7/14/2004
PRICE, EMMETT CHRISTOPHER	CP-4351	Exam	7/1/2004
ROSS, DEANNA RENEE'	CP-4352	Reciprocity - TX	7/1/2004
SCOTT, KARYN FRANCES	CP-4359	Exam	7/1/2004
SWALLOW, JASON BLAINE	CP-4357	Exam	7/1/2004
TANAKA, YONG-JA	CP-4353	Exam	7/1/2004
VANCE. JAMES OTIS	CP-4370	Exam	7/28/04
WALKER, BEVERLY MARIE	CP-4354	Exam	7/1/2004
WELCH, POPPY LARA	CP-4356	Exam	7/1/2004

(B) New Practice Privileges: Ms. Donnelley moved to ratify the following list of new Practice Privileges, PP-0088 to PP-0110. Ms. Berryman seconded. Motion carried.

Number	Name	Beginning	State
PP-0103	BALDWIN, KENNETH E	7/1/2004	NV
PP-0098	BJORKMAN, JOHN	7/1/2004	WA
PP-0099	CHAMBERLAIN, JENNIFER R	7/1/2004	WA

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
 McCall, Idaho
 July 29, 2004
REGULAR SESSION

PP-0110	CHRISTENSEN, JEAN M	7/1/2004	WI
PP-0107	EKANGER, WILLIAM E	7/1/2004	WA
PP-0102	GARNERO, RONALD A	7/1/2004	WA
PP-0105	MANNING, RICHARD B	7/1/2004	CA
PP-0091	MATHENEY, JULIUS KEITH	7/1/2004	TX
PP-0092	MATHENEY, TRACIE MICHELLE	7/1/2004	WA
PP-0101	MIHAYLOV, SVETLOZAR	7/1/2004	WA
PP-0106	PASSEY, STEVEN K	7/1/2004	ME
PP-0100	RANDALL, STEVEN	7/1/2004	WA
PP-0097	RECKORD, HARLEY B	7/1/2004	WA
PP-0093	REDDINGTON, DONALD A	7/1/2004	WA
PP-0108	RIGGAN, NATHAN P	7/1/2004	WA
PP-0094	RUDOLPH, JAMES B	7/1/2004	WA
PP-0088	SCHMIDT, TERRY L	7/1/2004	WA
PP-0089	SELL, KEVIN	7/1/2004	WA
PP-0096	SONNER, MICHAEL W	7/1/2004	WA
PP-0090	THRONSON, MIKE	7/1/2004	WA
PP-0109	TOBIE, DENES L	7/1/2004	WI
PP-0104	WEBSTER, CORY M	7/1/2004	UT
PP-0095	WYATT, LARRY D	7/1/2004	WA

(C) Late License Renewal Fee Waiver Request: Mr. Etter moved to reject the request for waiver of the late license renewal fine for Mark Seneff, CP-2575. Mr. Pilcher seconded. Motion carried.

7. EXAMINATION:

(A) Approve Candidates: Mr. Pilcher moved to ratify staff approval of the exam candidates whose applications were received since April 21, 2004, including the special consideration candidates reviewed in Executive Session. Ms. Donnelley seconded. Motion carried.

Exam Candidates April 2004 to July 20, 2004. First Time or Transfer candidates only.

EC-002028	BENSON, DOUGLAS D	6/8/2004	FT
EC-002005	BRADEN, MICHAEL LEE	5/25/2004	FT
EC-002045	CASTELLAW, GARY ALAN	7/7/2004	FT
EC-002002	DOSKELAND, BJORN ROALD	5/13/2004	FT
EC-001996	FOLKE, KURT ROBERT	4/21/2004	FT
EC-002001	GARDNER, RICHARD KENNETH	5/13/04	FT
EC-002014	HILL, TAMMY LARENE	6/4/2004	FT
EC-002030	HIXSON, ARRON R	6/10/2004	TR
EC-001997	HOGABOAM, REIONDA REE	4/30/2004	FT
EC-002011	HOGAN, MICHELE LYNN	6/2/2004	FT
EC-002031	JACOBS, TRACI LYN	6/9/2004	FT

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
McCall, Idaho
July 29, 2004
REGULAR SESSION

EC-002040	KLASSEN, THEODORE R	6/29/2004	FT
EC-002035	LINSENMANN, GENIA LAVON	6/29/2004	FT
EC-002003	LUCHINI, MARIETTE DENISE	18-May-04	FT
EC-002009	MCCURDY, LESLIE KAY	27-May-04	FT
EC-001992	MESSERLY, MELANIE ELISE	15-Apr-04	FT
EC-002036	RICHARDS, RYAN D	6/29/2004	FT
EC-001994	SCHANZ, NATHAN GRAMMES	4/15/2004	FT
EC-002016	SILER, JEFFREY WADE	6/4/2004	FT
EC-002004	SLIGAR, EMILY ANN	5/25/2004	FT
EC-002046	SNARR, LISA JO	7/7/2004	FT
EC-001999	TETRICK, ANDREW ARTHUR	5/13/2004	FT
EC-002007	WOODHOUSE, JERRI LYNN	5/25/2004	FT
EC-002027	YARBOROUGH, JUDY B	6/8/2004	FT

(B) CBT Update and ERB Report: Ms. Porter reported 37 candidates sat for the April/May 2004 exam. Idaho candidates had a pass rate above the national pass rate, with approximately 50% of candidates passing by section. A copy of the AICPA Board of Examiners (BOE) letter regarding the passing standard for the first CBT Exam Window and the NASBA Examinations Committee conclusions was reviewed.

(C) Examination Contract: The NASBA contract, for services provided to Idaho through the National Candidate Database and Gateway System, was signed by both David Costello and Board Chair Larry Bird.

8. PEER REVIEW AND FIRM REGISTRATION: The Board discussed the new Center for Public Company Audit Firms (CPCAF) Peer Review program created by the AICPA. The Board discussed whether the PCAOB inspection is sufficient for firms auditing publicly traded companies, or if Idaho firms should undergo a separate Peer Review from an AICPA approved Administering Organization. Further information in the future will assist the Board in determining which course of action is most appropriate.

9. APPOINTMENTS TO THE CPE COMMITTEE: Ric Eborall chose to put his CPA license into Inactive status effective July 1, 2004, making him ineligible to continue on the CPE Committee. The Board requested volunteers in the last newsletter to fill Mr. Eborall's vacancy. Mr. Etter moved to appoint LaVern Gentry to a term of three and one half years to replace Mr. Eborall. Ms. Donnelley seconded. Motion carried. There are three other members of the Continuing Professional Education committee whose terms expire on December 31, 2004. Reappointments or replacements for those positions will be at the September or December Board Meeting.

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
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REGULAR SESSION

10. UPCOMING MEETINGS: Ms. Porter, Mr. Pilcher, Ms. Donnelley and Mr. Rasmussen will represent the Board at NASBA’s 97th Annual Meeting to be held October 17 – October 20, 2004 in Chicago, Illinois. Ms. Pumphrey, as a member of the ERB, and Mr. Cotterell, as a member of the NASBA Board of Directors, will also be in attendance.

The next years Board Meeting schedule will be:
September 30, 2004; December 9, 2004; April 21, 2005; and July 14, 2005.

11. ELECTION OF OFFICERS: Ms. Pumphrey moved the nominations of: Jim Pilcher, Chair; Craig Rasmussen, Vice-Chair; Lisa Donnelley, Secretary; and Bette Jo Berryman, Treasurer. Don Etter seconded. The Board voted unanimously in favor of the incoming officers. As the new Chair, Mr. Pilcher will make appointments for CPE Committee liaison and PROC liaison at the fall meeting.

Mr. Pilcher read a resolution of appreciation to outgoing Board Chair Larry R. Bird, CPA and to the Past Chair Kitty Pumphrey, PhD, CPA. Both Board members will complete their five-year Board appointment at the end of August 2004. Mr. Pilcher presented Mr. Bird and Ms. Pumphrey with a plaque, a “five-years of service” mug, and a wall certificate.

There being no further business before the Board, the meeting was adjourned at 12:15 PM.

James R. Pilcher, CPA, Chair

R. Craig Rasmussen, CPA, Vice-Chair

Lisa L. Donnelley, CPA, Secretary