

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
McCall, Idaho
July 14, 2005
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 8:55 AM with Chair James Pilcher, CPA presiding. The Board adjourned to Executive Session at 9:00 AM. The Executive Session concluded at 9:45 AM with the Regular Session immediately reconvening. A break was taken from 9:50 AM to 10:25 AM with the Regular Session resuming at that time. Regular Session adjourned at 11:56 PM.

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

Jim Pilcher, CPA, Chair
Craig Rasmussen, CPA, Vice-Chair
Lisa Donnelley, CPA, Secretary
Bette Jo Berryman, LPA Treasurer
Sam Cotterell, CPA Member
Charles Clark, CPA Member
Don Etter, Public Member

Barbara Porter, Executive Director; Sue Lenon, Board Secretary; and Larry Hunter Attorney were present as Board staff. Melissa Nelson, Executive Director of the Idaho Society of CPA; LaVern Gentry, CPA, CPE Committee and ISCPA member; and, Terry Bayless, representing the Idaho Association of Public Accountants, attended after the Executive Session.

1. APPROVE MINUTES: Mr. Rasmussen moved to accept the minutes of the April 21, 2005 Board Meeting. Ms. Donnelley seconded. Motion carried.

2. EXECUTIVE SESSION: James Pilcher, Chair, citing *Idaho Code* Section 67-2345 (1)(b), (d) & (f), called for a vote to adjourn to Executive Session. All members of the Board present voted as follows: Lisa Donnelley, yes; Charles W. Clark, yes; Samuel Cotterell, yes; Bette Jo Berryman, yes; Don Etter, yes; Craig Rasmussen, yes; and James Pilcher, yes.

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

(A) Approve Minutes: Mr. Cotterell moved to approve the minutes of the April 21, 2005 Board Meeting Executive Session. Mr. Rasmussen seconded. Motion carried.

(B) Status Reports on Complaints: Mr. Rasmussen moved to publish the Final Order for Docket #2004-02 in a local paper. Mr. Etter seconded. Motion carried. Mr. Hunter suggested future Stipulated Consent Agreements contain the wording "Lapsed in lieu of disciplinary proceedings" be added to allow a licensee's history to reflect there had been prior uncompleted disciplinary action before the licensee requested Lapsed Status. The Board agreed to the approach.

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(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 5.

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

4. REPORTS TO THE BOARD

(A) Director Report: 1. *Online License Renewal Update:* 18.2% of license renewals were made using the new online system. Several changes were discussed for the future, including the convenience fee. Mr. Rasmussen moved to absorb the convenience fee for the 2006/2007 License Renewal. Ms. Donnelley seconded. Motion carried. 2. *Rule Change Proposal for 2006 Legislative Session:* Proposed rule changes are submitted in early August. The standards the Board of Accountancy incorporate by reference have to be updated to reflect 2006. 3. *Office Space:* The Board directed Ms. Porter to renew and prepay the Owyhee Plaza office space for another 3 years. 4. *Director's Report:* Ms. Porter informed the board of her activities since April 2005.

(B) Treasurer Report: The Board reviewed the Treasurers Report for FY 2005, which ended June 30, 2005. Mr. Pilcher delegated authority to the newly elected Treasurer to review the FY2007 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, 2005.

5. EXAMINATION

(A) Ratify Staff Approval of Exam Candidates and Special Consideration Applicants: The Board deferred ratifying the Staff's approval of the Uniform CPA Examination Candidates until the fall meeting. Ms. Gentry, Exam Coordinator, recently broke her ankle and had not been able to reconcile the Exam Candidate listings. All candidate applications have been processed; only the report for the Board was not generated.

After reviewing the two special consideration examination candidate applications, Mr. Rasmussen moved to ratify the approval of the first applicant. Ms. Donnelley seconded. Motion carried. Mr. Clark moved to deny the application for the second special consideration applicant, until he has successfully completed his probation, as has historically been the practice. Ms. Berryman seconded. Motion carried.

(B) Statistics from April and May 2005 Testing Window: Candidates took 90 sections.

	Sat	Passed	Failed	Pass Rate
<i>Audit:</i>	25	12	13	48%
<i>BEC</i>	21	12	9	57%
<i>FAR</i>	22	9	13	41%
<i>REG</i>	22	11	11	50%

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6. LICENSEES AND PRACTICE PRIVILEGES

(A) Approve New Licensees: Mr. Rasmussen moved to ratify the approval and licensing of the Special Consideration License Applicant from the Executive Session. Ms. Berryman seconded. Motion carried. Mr. Cotterell moved to ratify new licensees CP-4439 to CP-4457. Ms. Donnelley seconded. Motion carried.

CP-4439	MARSHALL, BONNIE JO	4/27/2005	Exam	
CP-4440	GARNER, SAMUEL L	4/28/2005	Exam	
CP-4441	REES, CHUCK ALBERT	7/1/2005	TOG	CA
CP-4442	MISKIN, CORBET R'TEL	5/25/2005	Exam	
CP-4443	FIEDLER, CORRINE MARIE	7/1/2005	Exam	
CP-4444	GARNER, CYNTHIA B	7/1/2005	TOG	WA
CP-4445	NESS, GARY G	7/1/2005	Rec	MN
CP-4446	REESE, CLARK ANDREW	7/1/2005	Exam	
CP-4447	ROBERTSON, RUTH JESSICA MAXWELL	7/1/2005	Exam	
CP-4448	LESLIE, ROBERT J	7/1/2005	Rec	AZ
CP-4449	ERICKSON, TAMMY A	7/1/2005	Rec	WA
CP-4450	MAHALINGAM, SAVITHRY CO	7/1/2005		TOG
CP-4451	SHAW, AMY I	7/1/2005	Exam	
CP-4452	WALTERS, PAUL RAYMOND	7/1/2005	Exam	
CP-4453	DOSTER, PHILLIP REAGAN	7/1/2005	Exam	
CP-4454	MILLER, BRYAN	7/1/2005	Rec	WA
CP-4455	KRUMWIEDE, KIP R	7/1/2005	Rec	TN
CP-4456	OLSEN, CHRISTOPHER ROBERT	7/1/2005	Exam	
CP-4457	TODD, LAURIE KONIGSBURG	7/1/2005	Exam	

(B) Approve New Practice Privileges: Ms. Berryman moved to ratify the new Practice Privileges PP-0165 to PP-0178. Mr. Clark seconded. Motion carried.

PP-0165	FAHR, AARON KENNETH	UT	4/22/2005
PP-0166	SMITH, SCOTT GIBBS	CA	7/1/2005
PP-0167	GLEASON, THOMAS	WA	5/18/2005
PP-0168	MILLER, JUSTIN B	WA	5/18/2005
PP-0169	MARKOVICH, STEVEN J	MT	7/1/2005
PP-0170	LELEGREN, JON	UT	7/1/2005
PP-0171	HAWLEY, JACLYNE C	WA	7/1/2005
PP-0172	RAUCH, RONALD G	WA	7/1/2005
PP-0173	SEARING, JANE M	WA	7/1/2005
PP-0174	DITZLER, STEVEN	WA	7/1/2005
PP-0175	ACKERMAN, JAMIE	WA	7/1/2005
PP-0176	PILAND, JOHN L.	CA	7/1/2005
PP-0177	SMITH, NATHAN ALAN	CO	7/1/2005
PP-0178	STOKER, HOWARD SPENCER	UT	7/1/2005

7. FIRM REGISTRATION AND PEER REVIEW PROGRAM: Three Peer Review Oversight Committee (PROC) members whose appointments expired June 30, 2005 have agreed to be reappointed. Mr. Rasmussen moved to accept the willingness of Lou Henry, CPA; Bob Long, CPA

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and Elmer Schraft, LPA to serve the Board for another 3-year term effective July 1, 2005. Mr. Clark seconded. Motion carried. Ms. Nelson informed the Board of ISCPA's concern over the shrinking pool of people willing to do Peer Reviews. The Board discussed the UAA Committee's proposed changes that would require Administering Organizations to send copies of Peer Reviews to State Boards. The Societies are concerned primarily because AICPA standards say they cannot release the reports.

8. NASBA Update

(A) Focus Questions: Ms. Porter will send an addendum to Focus Question B, "How does your Board feel about allowing managers to serve as team captions on peer reviews". Mr. Clark pointed out that a manager being able to do a Peer Review expands the pool of Peer Reviewers. Different firms can define a manager differently, but most managers would be as competent as partners. Oversight on Peer Reviewers would make sure they adhere to the standards.

(B) NASBA UAA Education Rules Exposure Draft: The Board Discussed the educational requirements stated in the Exposure Draft. Mr. Cotterell recommended the Board respond that Idaho supports the concept behind the committee's work. However, the draft appears to be written with too much specificity to be generally accepted by Idaho's stakeholders. Based upon review and feedback, the Board cannot support the changes as proposed. Idaho suggests the UAA Committee consider revisiting the rules with an attempt to rewrite them at a more general level.

(C) NASBA Regional Meeting Discussion: Items of interest discussed were: 1) the development of the national licensee database; 2) creating a Compliance Assurance Review board to oversee Administering Organizations' Peer Review Programs to ensure Peer Reviews are performed in accordance with standards; and, 3) the slate of individuals the Nominating committee generated for the NASBA Board of Directors to be voted on at the Annual Meeting. Mr. Samuel K. Cotterell, Idaho's Delegate is one of the nominees for the three-year term of Directors-at-Large. Mr. Gaylen Hansen, Colorado Delegate is a nominee for the one-year term as Mountain Regional Director.

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

Mr. Rasmussen read a resolution of appreciation to outgoing Board Chair James R. Pilcher, CPA, who will complete his five-year Board appointment at the end of August 2005. Mr. Rasmussen presented Mr. Pilcher with a plaque, a "five-years of service" clock, and a wall certificate.

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10. UPCOMING MEETINGS: Ms. Porter, Mr. Rasmussen, Ms. Donnelley and Mr. Clark will represent the Board at NASBA's 98th Annual Meeting to be held October 30 – November 2, 2005 in Tucson, Arizona. Mr. Cotterell, as a member of the NASBA Board of Directors, will also be in attendance.

Mr. Cotterell, Mr. Rasmussen and Ms. Porter will attend the Examination Symposium co-sponsored by NASBA, AICPA and Prometric and the NASBA Center for the Public Trust-Revitalizing Public Trust September 14 –15, 2005 in Washington, DC.

Upcoming Board Meetings will be September 29, 2005 and December 8, 2005. The 2006 dates will be decided at the fall meeting.

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