

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
Boise, Idaho
April 19, 2007
REGULAR SESSION

The Regular Session of the Idaho State Board of Accountancy was called to order at 8:45 AM with Chair Lisa Donnelley, CPA presiding. The Board adjourned to Executive Session at 8:46 AM and reconvened to Regular Session at 11:35 AM. A break was taken from 10:40 AM until 10:50 AM. The Regular Session concluded at 4:00 PM.

ROLL CALL The following members of the Board were present:
Lisa Donnelley, CPA, Chair
Charles Clark, CPA, Vice-Chair
Stanley Wood, CPA, Secretary
Bette Jo Berryman, LPA Treasurer
Sam Cotterell, CPA Member joined meeting at 11:25 AM
Louann Krueger, Public Member
Monte Warwick, CPA Member
Barbara Porter, Executive Director; Sue Lenon, Board Secretary; and Larry Hunter, Attorney were present as Board staff.

1. CONVENE REGULAR SESSION

Mr. Clark moved to accept the minutes of the December 7, 2006 Board Meeting. Ms. Berryman seconded the motion. Motion carried.

2. EXECUTIVE SESSION

Lisa Donnelley, Chair, citing *Idaho Code* Section 67-2345, called for a vote to adjourn to Executive Session. The Board voted as follows: Monte Warwick, yes; Charles Clark, yes; Bette Jo Berryman, yes; Stan Wood, yes; Louann Krueger, yes; and Lisa Donnelley, 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. Krueger moved to approve the minutes of the December 7, 2006 Board Meeting Executive Session. Mr. Warwick seconded the motion. Motion carried.

(B) Status Reports on Complaint Dockets:

2006-02 – Mr. Warwick moved to close docket because the Final Order conditions were met. Mr. Wood seconded. Motion carried.

2006-06 – Mr. Clark moved to accept Investigative Committee recommendation. Staff is to pursue a stipulated agreement with an administrative fine of \$1,500. Ms. Krueger seconded. Motion carried.

2006-08 – Mr. Warwick moved to dismiss and close. Mr. Clark seconded. Motion carried.

2007-02 – Ms. Berryman moved to dismiss and close. Mr. Clark seconded. Motion carried.

2007-03, 04, & 05 – Mr. Clark moved to have Staff pursue stipulated consent agreements, reflecting the Investigative Committee's recommendations and administrative fines of \$1,000 per violation. Mr. Warwick seconded. Motion carried.

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(C) Cease & Desist: One resolved docket was presented to the Board. No action needed.

(D) Motion to Ratify Approval of Exam Special Considerations and Exam Scores: Mr. Clark moved to ratify the Board's earlier approval of a special consideration applicant. Mr. Cotterell seconded. Motion carried. Mr. Clark moved to deny the special consideration application received on February 27, 2007. Mr. Warwick seconded. Motion carried. Mr. Cotterell moved to approve the exam scores from October 2006 through February 2007. Ms. Krueger seconded. Motion carried.

(E) Performance Evaluations and Staff Salary: Mr. Clark moved to accept the recommended FY2008 merit increases for Staff, and directed Ms. Porter to distribute the FY2007 salary savings in short-term merits during the remaining fiscal year pay periods, half to Ms. Porter and the other half distributed to Staff at her discretion. Ms. Porter's was evaluated by the Board to have above Exemplary Performance. The Board focused on her professionalism, preparedness, contribution and recognition at the national level, and proactive nature. Mr. Warwick seconded. Motion carried.

(E) Legal Counsel Hourly Rate: Mr. Clark moved to accept Legal Counsel's request to increase his hourly rate to \$140 for 2007 and \$150 for 2008. Ms. Berryman seconded. Motion carried.

4. REPORTS TO THE BOARD

(A) Director Report: 1. The Board discussed the upcoming NASBA Joint Panel on Education, and offered input as requested by NASBA. Accreditation standards will be addressed, which may tie to inquiries by Stevens-Henager. Mr. Hunter pointed out that becoming an accreditation body a growing industry nationwide. 2. The Board discussed Idaho Accountancy Act and Rule changes to go to the 2008 Legislative Session. Sam Cotterell moved Act changes including: dropping Retired CPA license age to 55; eliminating notice and fee for Practice Privileges; expanding the definition of "good moral character"; and adding an Ethics CPE requirement. Mr. Warwick seconded. Motion carried. Mr. Cotterell moved Rule changes including; expanding Board's authority to share discipline dockets with other State Boards; adding a time frame for Firms to enroll with an Administering Organization if the one they are using no longer offers Peer Reviews; deleting obsolete references to the paper-based CPA Examination; removing instructor's name as a required field on CPE Reports; exempting Idaho licensees whose principle place of business is out of state from CPE reporting; clarifying client-accountant confidentiality privilege; and adding a Model Code of Conduct. Mr. Wood seconded. Motion carried. The legislation and rule changes will be drafted and exposed prior to the Board's July meeting. 3. Ms. Porter apprised the Board of changes in state government under Governor Otter, primarily related to the Division of Human Resources. 4. The Board was informed on Access Idaho's progress to include Firm Registration with bulk license renewals for 2007. Renewals can be paid with American Express, in addition to the other credit cards this year. Board Staff will mail renewal letters with licensees' passwords, CPE credits, and other necessary information for online renewals. 5. Ms. Porter presented a list of her activities since the last Board Meeting.

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(B) Treasurer Report: The Board reviewed the financial information through March 2007 and the FY2008 appropriation. Our annual revenue and expenses have tracked closely to projections. Unfortunately, our spending authority FY2008 was reduced by \$50,000. A portion of our spending authority went unused in the past two fiscal years because we did not have large investigative and hearing expenses. However, we had multiple fiscal years in recent times where 100% of our spending authority was used. The Board directed Staff to make a concerted effort to re-establish the spending authority for FY2009. Ms. Berryman moved to upgrade our license software system before June 30, 2007. Ms. Krueger seconded. Motion carried.

(C) Legal Counsel Report: Mr. Hunter reported on his work to compare *Idaho Code* 9-340(c)(9) and Judiciary Rule 616 to Idaho Accountancy Rule 402 on client-accountant privilege. Any recommended changes will be a portion of the Board's Rule change package. Mr. Hunter announced that his name is part of the first round of nominations for appointment to the Idaho Supreme Court. The second round of the selection process will occur in June.

5. EXAMINATION

(A) Examination Candidates: Mr. Wood moved to ratify the following list of first-time examination candidates from November 30, 2006 to April 2, 2007, which includes a special consideration applicant considered in Executive Session. Mr. Warwick seconded. Motion carried.

Examine	Type	Application Date
ASHER, RAYLYNNE MARIE EC-002773	FT	1/4/2007
BELISLE, DON CLINTON EC-2849	FT	3/5/2007
BODE, ROY THOMAS EC-002775	FT	1/4/2007
BROTHERTON, KASSONDRA DENISE EC-002818	FT	2/12/2007
BYCZEK, ELIZABETH JOSEPHINE EC-002757	FT	12/14/2006
COBURN, NATHAN MERLE EC-002750	FT	11/21/2006
CONLEY, CHAD JOSEPH EC-002781	FT	1/9/2007
DAVIS, AARON STERLING EC-002761	FT	12/28/2006
DENTON, TESH DANIELLE EC-002813	FT	2/6/2007
DILL, DARLENE MARIE EC-002754	FT	11/22/2006
GUO, LIN EC-002793	FT	1/17/2007
HAN, MI HI EC-002784	FT	1/11/2007
HENNE, AMY JEAN EC-002808	FT	1/31/2007
HESSICK, COURTNEY ANN EC-2853	FT	3/6/2007
HYATT, JAMES BRIAN EC-002816	FT	2/6/2007
KINNAS, TASO CONSTANTINE EC-002809	FT	2/1/2007
LANGFORD, ADAM WILLIAM EC-2861	FT	3/14/2007
MILLER, SCOTT DOUGLAS AP-2856	FT	3/13/2007
MUMM, CATHERINE LEA EC-002777	FT	1/9/2007
NAIL, MARK JAMES EC-002755	FT	12/6/2006
NEKL, JENNIFER ANN EC-002795	FT	1/22/2007

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PETERSEN, RONALD JAMES EC-002751	FT	11/21/2006
PINKNEY, FRANK , JR EC-2832	FT	2/20/2007
RA, MIRI EC-002763	FT	12/28/2006
RICHARDSON, PAMELA EC-002762	FT	12/28/2006
ROBIN, ALICIA S EC-002779	FT	1/9/2007
SCHREIBER, JEREMY LYNN EC-002836	FT	2/21/2007
SHAFFER, RYAN WAYNE EC-002772	FT	1/4/2007
STUART, KIMBERLY DEANN EC-002774	FT	1/4/2007
URANGA, DARREN DANIEL EC-002794	FT	1/17/2007
WILLIAMS, JASON MICHAEL EC-002841	FT	2/22/2007

(B) CBT Statistics: The Board reviewed exam statistics from recent windows. Idaho candidates have been scoring lower in Audit than the national average. This may reflect two things. First, Idaho candidates can sit before they have completed 150 semester hours and many colleges include audit courses in the fifth year of study. Second, Idaho has few firms doing audits, and therefore audit may not be a primary focus for many of our students. The following candidates passed all four parts of the CPA exam in their first attempt during the 2006 calendar year, and reflect Idaho's top ten scorers. They will be mentioned in the upcoming ISBA newsletter.

<u>Candidate</u>	<u>Aggregate Score</u>
BERGESON , JONATHAN GARY	378
STAMM , ANCA ROXANA	349
BIRD , LEWIS RICHARD	347
PORTER , CHANDRA DEE	345
HOUSTON , ZACHARY DAVID	337
LARSEN , TIMOTHY JAMES	334
GRANT , JARED WILLIAM	322
RAEDER , JULIE CHRISTINE	322
YOUNG , LUCAS JOHN	321
MURRI , BRETT A	314

(C) CBT Issues: The Board discussed the Control-V/Past issue that existed in Q2-4 2006. They reaffirmed that only the "open" test window (Q4) be rescored. Ms. Porter updated the Board of fee increases effective in 2008 and the Practice Analysis currently being initiated by AICPA. The Board directed Ms. Porter to respond to the NASBA Licensing Examinations Committee about three items: appreciation for AICPA continued improvement of the CPA Examination with guidance from the BOE; encourage adding more Prometric test seats in universities, especially the University of Idaho; and continued emphasis on accelerating score release and eliminating the Ethics Examination backlog.

6. NEW LICENSEES AND PRACTICE PRIVILEGES

(A) New Licensees: CP-4617 to CP-4648 November 23, 2006 through April 2, 2007
 Mr. Cotterell moved to ratify the new licensees. Mr. Clark seconded. Motion carried.

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Name	Number	Method	State	Begin Date	Status
ARMITAGE, BRAD	CP-4619	Grade Transfer	CO	1/1/2007	Active
BLUHM, ARIC	CP-4626	Reciprocal	WA	1/23/2007	Active
BORGER, BARRY JACQUES	CP-4640	Reciprocal	MI	3/1/2007	Active
BRIDGE, PAUL	CP-4644	Reciprocal	WA	3/15/2007	Active
CIESLIK, MARY TERESA	CP-4622	Reciprocal	CA	1/4/2007	Active
CLAIRMONT, AMY LYNNE	CP-4630	Reciprocal	WA	1/30/2007	Active
CLOUGH, ANNE	CP-4617	Reciprocal	VT	1/1/2007	Active
DEBNATH, MOUTUSHI	CP-4638	Exam	ID	2/21/2007	Active
FULLMER, KENNETH CRAWFORD	CP-4621	Exam	ID	1/1/2007	Active
GENER, JEANNETTE	CP-4620	Reciprocal	CA	1/1/2007	Active
GRAY, JASON MICHAEL	CP-4642	Exam	ID	3/12/2007	Active
GRIFFIN, EDDIE PAUL	CP-4639	Exam	ID	3/1/2007	Active
HAHN, DEAN ALBERT	CP-4646	Exam	ID	3/15/2007	Active
HAYES, AIMEE L	CP-4631	Grade Transfer	CA	1/30/2007	Active
HAYS, ANNETTE W	CP-4641	Grade Transfer	GA	2/9/2007	Active
JOLLY, JERELED D	CP-4648	Reciprocal	CA	4/2/2007	Active
KNOWLES, KATHLEEN R	CP-4635	Reciprocal	CA	2/13/2007	Active
LARSEN, TIMOTHY JAMES	CP-4634	Exam	ID	2/8/2007	Active
LIU-PHILO, SHAO CHING	CP-4629	Reciprocal	CA	1/30/2007	Active
LOUREY, LINDA BEATRICE	CP-4628	Reciprocal	WA	1/30/2007	Active
OLSON, BLAKE	CP-4627	Grade Transfer	CA	1/30/2007	Active
RAEDER, JULIE CHRISTINE	CP-4623	Exam	ID	1/4/2007	Active
RINGLING, MARLA K	CP-4632	Reciprocal	AZ	2/6/2007	Active
SALO, JORDAN DAVID	CP-4643	Grade Transfer	MT	3/12/2007	Active
SCHROATH, JAMES	CP-4633	Reciprocal	CA	2/6/2007	Active
SIGGLIN, LORA REY	CP-4624	Exam	ID	1/17/2007	Active
SPAHR, JASON SPENCER	CP-4625	Exam	ID	1/17/2007	Active
STUEVE, SUSAN GAIL	CP-4647	Exam	ID	3/15/2007	Active
TAYLOR, JUSTIN MAX	CP-4636	Grade Transfer	UT	2/13/2007	Active
WEESE, JANIS LYNN	CP-4618	Reciprocal	CA	1/1/2007	Active
WHITLOCK, JOSEPH EVERETT	CP-4645	Reciprocal	WY	3/15/2007	Active
WOOD, KENNETH PAUL	CP-4637	Reciprocal	GA	2/13/2007	Active

(B) New Practice Privileges: PP-0383 to PP-0431 November 22, 2006 through April 2, 2007
 Mr. Cotterell moved to ratify the following Practice Privileges. Mr. Clark seconded. Motion carried.

Name	Number	State	Begin Date
AMELOTTE, DAVID	PP-0405	MN	2/12/2007
AMEND, GREGG	PP-0429	WA	3/13/2007
BALL, AMANDA J	PP-0417	CA	2/21/2007
BARRON, MARGARET	PP-0394	CA	1/11/2007

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BAUMGARTEN, ROGER	PP-0431	CA	3/22/2007
BAYLISS, CAROLYN MARIE	PP-0424	CA	3/5/2007
BRADY, DANIEL WILLIAM, JR	PP-0406	WA	2/15/2007
BROUDY, JAY DAVID	PP-0391	OR	1/9/2007
BURNHAM, CHERI RAE	PP-0430	WA	3/22/2007
BURNHAM, GAVIN	PP-0384	WI	1/4/2007
CASEY, LYNNE B	PP-0402	OR	2/6/2007
CHRISTIANSEN, CAMILLE	PP-0423	WA	3/1/2007
CRAWFORD, RUSSELL W	PP-0395	WA	1/22/2007
DAYLOR, JACQUELYN K	PP-0389	IL	1/9/2007
DRAKE-CAVALLETTI, HEIKE	PP-0387	IL	1/4/2007
DREHER, DEANNA	PP-0398	WA	1/30/2007
ETHERINGTON, KRISTINA	PP-0393	WA	1/11/2007
HALEBLIAN, VICKEN M	PP-0413	CA	2/20/2007
HALL, PATRICK M	PP-0383	IA	1/4/2007
HANSEN, DONNA L	PP-0408	CA	2/20/2007
HEISKALA, DEBRA GAYLE	PP-0421	CA	2/27/2007
HOCH, DALYNN	PP-0425	MN	3/6/2007
HOYLE, LYNN S	PP-0416	OR	2/21/2007
HUTCHINS, GREGGORY J	PP-0409	CA	2/20/2007
JACOBSON, SUSAN	PP-0412	CA	2/20/2007
KARAKACHIAN, HRATCH J	PP-0415	CA	2/21/2007
KAUFMAN, MATTHEW	PP-0426	OR	3/7/2007
KRUEGER, MARK	PP-0420	WA	2/27/2007
KURKOWSKI, JOHN L	PP-0428	IL	3/13/2007
LUND, MARC	PP-0427	CA	3/13/2007
MAC LEAN, JOHN JARED	PP-0411	CA	2/20/2007
MARION, DAVID B	PP-0403	CA	2/6/2007
MILLS, ROGER W	PP-0386	OR	1/4/2007
OWENS, DANIEL C	PP-0385	MN	1/4/2007
PATRICK, RYAN R	PP-0401	OR	2/6/2007
PORTER, CHAD A	PP-0404	CA	2/6/2007
RISTAN, MARY ROBIN	PP-0410	CA	2/20/2007
ROBERTSON, JOHN S	PP-0399	CA	1/30/2007
SARGENT, JOSHUA	PP-0397	OR	1/22/2007
SHUMAN, ZACHARY G	PP-0414	CA	2/20/2007
SLY, CHRISTOPHER NED	PP-0390	CA	1/9/2007
SMITH, JOSEPH PAUL	PP-0392	WA	1/11/2007
SMITH, LANA A	PP-0396	OR	1/22/2007
STACY, ROBERT LEE FATE	PP-0418	OR	2/21/2007
SZERWO, BRANDON	PP-0382	WA	12/28/2006
WEBB, DEREK M	PP-0400	FL	1/30/2007
WOJDOWSKI, STEPHEN	PP-0419	CA	2/27/2007

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WOLFF, KENNETH L	PP-0407	SD	2/15/2007
WYATT, JACQUELINE RAE	PP-0422	MN	3/1/2007

7. FIRM REGISTRATION AND PEER REVIEW PROGRAM

(A) *Appointments to Peer Review Oversight Committee:* Mr. Clark moved to reappoint Scott Dockins, CPA and Jerry Tarter, LPA for three year terms beginning July 1, 2007. Ms. Krueger seconded. Motion carried. The Board directed Staff to advertise in upcoming newsletters about the three slots that are open for appointment in 2008.

(B) *Request for Waiver of Late Firm Registration Fee:* Mr. Cotterell moved to deny the request for waiver from Ms. Goodwin. Mr. Clark seconded. Motion carried.

(C) *AICPA Exposure Draft:* Standards for performing and reporting on Peer Reviews are being reviewed by the AICPA. Mr. Wood and Mr. Clark are attending a Peer Review training in June where they will hear discussion of the proposed changes. They will report their comments to Ms. Porter, who will route them to Board members in preparation for commenting on the exposure draft.

8. CONTINUING PROFESSIONAL EDUCATION

(A) *Ethics CPE Task Force:* ISBA, ISCPA, and IAPA representatives met in January 2007 to discuss an Ethics component in Idaho's CPE requirements. Mr. Cotterell moved to pursue adding their recommendations through 2008 legislative changes. Mr. Clark seconded. Motion carried.

1. Add a requirement for two hours of Ethics CPE each year for Active licensees. Programs in ethics include topics such as ethical reasoning, state-specific statutes and rules, and standards of professional conduct, including those of other applicable regulatory bodies.
2. Penalty hours for non-compliance with the Ethics CPE requirement would be to complete one and one-half times the number of hours the licensee is short by May 31st of the following year (same as the current penalty for CPE non-compliance.)
3. A licensee reinstating or re-entering as Active must complete four hours of Ethics CPE within the eighty hour CPE requirement to regain an Active license.
4. A two hour State-specific course on Idaho's statutes and rules should be required during the first year of licensure for all new licensees and newly reinstated or re-entered licensees.

(B) *CPE Committee Meeting Update:* Ms. Berryman, as Board liaison to the committee, updated the Board on the March 2007 meeting. The five new committee members were quick studies and made significant contributions. The reports and audits were quite clean, with no licensees being referred for investigative or disciplinary actions. A list of each licensee's reported CPE hours for the previous year, and current year hour requirement, has been posted to the ISBA website.

9. NASBA UPDATE

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(A) Quarterly Focus Questions: The Board was apprised of the responses sent by the Chair and Executive Director to the quarterly questions that were due to NASBA prior to this meeting.

(B) NASBA Committee Interest Form: Individual Board members were encouraged to consider participating in a NASBA committee in the upcoming year.

10. UPCOMING MEETINGS

The Board confirmed July 19 (McCall), October 4, and December 6 as the 2007 Board Meeting dates.

NASBA Western Regional is June 20-22, 2007 in Colorado Springs, Colorado. Ms. Donnelly, Mr. Clark, Mr. Wood, Mr. Cotterell, Mr. Warwick, and Ms. Krueger will attend. Ms. Porter will attend the Eastern Regional this year. The Annual meeting is October 28-31, 2007 in Maui. Ms. Donnelly, Mr. Clark, Mr. Wood, Mr. Cotterell, Mr. Warwick, Ms. Krueger, and Ms. Porter will attend.

There being no further business before the Board, the meeting was adjourned at 4:00 PM.

Lisa Donnelley, CPA, Chair

Charles Clark, CPA, Vice-Chair

Stanley Wood, CPA, Secretary