

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
Boise, Idaho
January 28, 2015
REGULAR SESSION

A Regular Session of the Idaho State Board of Accountancy was called to order on Wednesday, January 28, 2015 at 9:30 AM with Chair Brad Lewis, CPA, presiding. The Board adjourned to Executive Session at 9:31 AM. The Executive Session concluded at 10:00 AM with the Regular Session immediately reconvening. The Regular session adjourned at 10:10 AM.

ROLL CALL

The following members of the Board participated:
Brad Lewis, CPA, Chair, via conference call
Cheryl Guiddy, CPA, Vice-Chair, via conference call
Terry Bayless Sr., CPA, Secretary, in person
David Westfall, CPA, Treasurer, via conference call
Kay Bradford, Public Member, via conference call
Jae Hallett, CPA, via conference call
Layne VanOrden, CPA, via conference call
Kent Absec Executive Director, Sue Lenon, and Andrea Rosholt, Legal Counsel were present as Board staff. Hearing Officer Kim Coster was present and Randy K. Bates joined the meeting at 10:00 AM, via conference call.

1. EXECUTIVE SESSION

Brad Lewis, Chair, citing *Idaho Code* Section 6 7-2345 (1)(d)(f), called for a vote to adjourn to Executive Session. The Board voted as follows: Cheryl Guiddy, yes; Terry Bayless, yes; Kay Bradford, yes; David Westfall, yes; Jae Hallett, yes; Layne VanOrden, yes; and Brad Lewis, yes.

2. ACTION ITEMS FROM THE EXECUTIVE SESSION

When the Regular Session resumed, the Board addressed items from the Executive Session.

(A)Board Issuance of Final Order: Mr. Bayless made the following motion.

In the matter of Randy K. Bates, move that the Board issue a Final Order. Idaho Code 54-204(4) and 54-219(1) grants the Board jurisdiction in this matter. Mr. Bates violated Idaho Code 54-214(1) and Rule 604.01, which require firms performing compilations or reviews to undergo peer review not less than every three years. Mr. Bates' performed peer reviewable service during the period between July 1, 2004 through 2007, and also during the period 2011 through 2014, without undergoing a peer review, and without being exempt from the requirement. These violations constitute cause for the Board to impose discipline, pursuant to 54-219(1)(d).

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Mr. Bates' false statements on his 2014/2015 firm registration application made with the intent of misleading or deceiving the Board in connection with that application, violated 54-219(a) and constitutes grounds for the Board to impose discipline. Mr. Bates' use of deceit in obtaining renewal of his firm registration also violated Idaho Code 54-219(b) and constitutes grounds for discipline. Mr. Bates' conduct, as described above, reflects adversely upon his fitness to perform services while a licensee, and as such violated Idaho Code 54-219(1)(o) and constitutes grounds for the Board to impose discipline.

Based on the foregoing, and for good cause shown therein, the Board imposes the following discipline:

1. Mr. Bates shall pay a fine in the amount of seven thousand five hundred dollars, which shall be due and payable not later than June 30, 2015. All payments shall be made and delivered directly to the Idaho State Board of Accountancy.
2. Mr. Bates' license shall be revoked; however, the revocation shall be withheld until June 30, 2015, and Mr. Bates shall instead be placed on probation, upon the following terms and conditions: Mr. Bates' license shall be restricted, effective immediately, and neither Mr. Bates nor his firm shall be permitted to perform attest services, including issuance of reports on accounting and auditing engagements as set forth in Rule 602.01; By not later than June 30, 2015, Mr. Bates shall 1) undergo and complete a peer review in accordance with the AICPA Peer Review Program requirements; complete shall mean having the Peer Review Report accepted by the administering organization; and 2) complete twenty four hours continuing education specific to the topics of Compilations and Reviews; and 3) in addition to the Compilations and Review class hours, complete an Idaho State Specific Ethics class, comprised of at least two classroom hours; and 4) the education ordered herein shall be in addition to, and not counted toward, any continuing education requirement otherwise required to renew or retain his license; and 5) pay his fine in full; and 6) submit to the Board's Executive Director, proof of having completed all of the above terms and conditions in this section, 2.b.
3. At any time prior to June 30, 2015 if Mr. Bates complies with all terms and conditions set forth in section two, above, and unless otherwise ordered by the Board, Mr. Bates shall be entitled to reinstatement of his license, without restriction, and his probation shall be discharged and the revocation set aside, without necessity of further process or order.
4. If Mr. Bates fails to complete all of the terms and conditions of probation set forth in section two, above, by June 30, 2015, and unless otherwise ordered by the Board, Mr. Bates' license shall be revoked without further process or order.

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I further move that the Board issue a written Final Order in accordance herewith.
Mr. VanOrden seconded.

The motion carried with the following vote: Mr. Lewis, yes; Ms. Guiddy, yes; Mr. Bayless, yes; Mr. Westfall, yes; and Mr. VanOrden, yes. Mr. Hallett and Ms. Bradford abstained.

There being no further business before the Board, the meeting was adjourned at 10:10 AM.

Brad Lewis, CPA, Chair

Cheryl Guiddy, CPA, Vice Chair

Terry Bayless, CPA, Secretary