

MINUTES
IDAHO STATE BOARD OF ACCOUNTANCY
Sun Valley, Idaho
June 24, 1999

REGULAR SESSION

The regular meeting of the Idaho State Board of Accountancy was called to order at 1:05 PM with Chair Alan Van Orden presiding. The Board adjourned to Executive Session at 1:10 PM, reconvened the Regular Session at 2:26 PM and adjourned at 5:55 PM.

ROLL CALL: The following members of the Board were present:
Alan Van Orden, CPA
Leonard Hodge, CPA
Sam Cotterell, CPA
Don Etter
Larry Stewart, LPA
LaVern Gentry, CPA
J. Thomas Jones, CPA
Barbara Porter, Executive Director; Chris Arthur, Investigative Coordinator and Steve Drake, Attorney were also present.

1. CONVENE REGULAR SESSION:

Mr. Gentry motioned to approve the minutes of the April 23, 1999 Regular Session. Mr. Jones seconded the motion. Motion carried.

2. EXECUTIVE SESSION: Alan Van Orden, Chair, citing *Idaho Code* Section 67-2345 (1)(d) & (f), called for a vote to adjourn to Executive Session for discussion of complaints and disciplinary proceedings before the Board. All members of the Board present voted as follows: LaVern Gentry, CPA, yes; Alan Van Orden, CPA, yes; Sam Cotterell, CPA, yes; Larry Stewart, LPA, yes; Leonard Hodge, CPA, yes; Tom Jones, CPA, yes; and Don Etter, yes. The Board adjourned to Executive Session at 1:10 PM. The Regular Session resumed at 2:26 PM.

The Board addressed the items from the June 24, 1999 Executive Session.

(A) Approve Minutes: Mr. Jones motioned to approve the minutes of the April 23, 1999 Executive Session. Mr. Stewart seconded the motion. Motion carried.

(B) Status Reports/ Review Complaints:

Docket #99-03: Mr. Cotterell motioned to close the docket. Mr. Hodge seconded the motion. Motion carried.

Docket #99-07: Mr. Cotterell motioned to close the docket and authorize Ms. Porter to notify the firm and the Arizona Accountancy Board. Mr. Jones seconded the motion. Motion carried.

Docket #99-08: Mr. Cotterell motioned to inform the complainant that based on the information given, the Board had no basis to move forward with the complaint. Mr. Etter seconded the motion. Motion carried.

Docket #99-09: Mr. Cotterell motioned to schedule a hearing to review the application for licensure. Mr. Hodge seconded the motion. Motion carried with Mr. Stewart and Mr. Gentry abstaining.

Docket #99-10: Mr. Cotterell motioned to direct the staff to proceed with obtaining the wall certificate and to initiate criminal or civil action as appropriate. Mr. Etter seconded the motion. Motion carried.

3 . APPLICANTS FOR LICENSURE:

Review Applicants: Mr. Etter motioned to approve the following applicants for licensure. Mr. Gentry seconded the motion. Motion carried.

Licensure by:	License#	Effective	Name
EXAM	CP-3721	7/01/99	KERNER, BRENDA ANN
EXAM	CP-3722	7/01/99	KITTERMAN, KYLE D
EXAM	CP-3723	4/05/99	MAHLKE, TROY
R-CA	CP-3724	7/01/99	MARLEY, COLLEEN R
EXAM	CP-3725	4/05/99	OWENS, LISA LYNN
R-IL	CP-3726	4/14/99	KNUTTE, DAVID A
EXAM	CP-3727	4/23/99	MARTIN, TAMMY
EXAM	CP-3728	7/01/99	HEIMGARTNER, SCOTT R
EXAM	CP-3729	7/01/99	BEST JR, RICHARD GIBSON
TG-MT	CP-3730	7/01/99	LABRIE, DAVID P
EXAM	CP-3731	7/01/99	PAGE, JAMIE R
EXAM	CP-3732	5/19/99	ANDREWS, KAREN L
EXAM	CP-3733	7/01/99	IVERSON, GREGORY J
EXAM	CP-3734	7/01/99	DASH, JUNE
EXAM	CP-3735	7/01/99	PETERSEN, ROBERT M
R-NJ	CP-3736	7/01/99	BRADY, EUGENE
EXAM	CP-3737	7/01/99	WILLIAMS, BECKY L
R-CO	CP-3738	7/01/99	PEERY, JASON D
EXAM	CP-3739	7/01/99	DEWEZ, PHILIPPE A
R-UT	CP-3740	7/01/99	FITZGERALD, DAVID
R-WY	CP-3741	7/01/99	ROGERS, ELWIN RAY
EXAM	CP-3742	7/01/99	MINCKLER, ERIC J

4. TREASURER'S REPORT: Mr. Stewart motioned to approve the May 1999 Treasurer's Report. Mr. Gentry seconded the motion. Motion carried.

5. DIRECTOR'S REPORT:

(A) *LMS*: Ms. Porter informed the Board that staff was not at a point to make a firm commitment for a new licensing system and that Ms. Gentry is still researching other states for a suitable program.

(B) *Retention of Records: Definition of Working Papers* Ms. Porter informed the Board that staff often receives informal complaints concerning retention of records and in some cases the licensees' fees have not been paid. Mr. Drake did an analysis of Idaho's definition of working papers but did not come to a definite conclusion. The Board was asked for a clear statement on what records are due to a client when all fees have not been paid. Mr. Jones agreed to head a subcommittee to research the issue and develop a draft policy statement.

(C) *Auditing on an Indian Reservation*: Ms. Porter informed the Board that an out of state firm had asked about CPAs needing an Idaho license to perform audits on a sovereign nation such as an Indian Reservation. The Board discussed the issue and received advice from legal counsel. It was determined that the State Accountancy Board has jurisdiction over licensees who perform attest work on an Indian Reservation.

(D) *CPA America*: Ms. Porter informed the Board that an association which represents CPA firms is changing its name to "CPA America". They asked the Board if their new name fits into Idaho's regulations. The Board felt that the new name is a clear violation of rule 54-220 (2) and directed Ms. Porter to draft a response telling them so. The Board's attorney should review the draft before sending it.

(E) *Director's Activities*: Ms. Porter supplied the Board with a list of activities for the period of May 1999 through June 1999.

(F) *NASBA Quarterly Focus Questions*: Ms. Porter drafted a response to NASBA's Quarterly Focus Questions for the Board's review. The Board approved the response with minor revisions.

6. CPE LATE FILING SPECIAL CONSIDERATIONS: The Board reviewed correspondence from three licensees requesting waivers of their CPE fines. The procedure for reporting CPE was changed to eliminate the monthly reminder notices. Licensees had been notified of the change in three newsletters and the CPE Reporting Form instructions. Notices of the fines due were sent out in late May stating that the fines would increase by another \$50.00 on the first of June if they were not received by that date. Some licensees stated that they did not receive the notice until after June first. Mr. Cotterell motioned to deny all requests for waivers except for the fine that was assessed in June because of the delay in notification. Mr. Gentry seconded the motion. Motion carried.

7. QROC APPOINTMENT OF CHAIR AND NEW MEMBER:

(A) *Appointment of New Member*: The Board was informed that Mr. Garth Beck asked not to be reappointed to the QROC committee when his term expires on June 30, 1999. Mr. Robert Long, CPA is willing to be appointed to the committee. Mr. Jones motioned to appoint Mr. Long to the committee for a three year term effective 7-1-99. Mr. Etter seconded the motion. Motion carried.

(B) *Appointment of New Chair*: With the departure of Mr. Beck from QROC a new chair needs to

be named. Mr. Lou Henry is currently on the committee and is willing to serve as chair. The Board asked that Mr. Henry complete a Peer Reviewer training course as a condition of being appointed as chair.

Mr. Hodge expressed his concerns that QROC has not performed the oversight function of NSA. He asked that the Board direct the committee to perform the oversight. Mr. Cotterell motioned that QROC be informed of their responsibility to perform the oversight of NSA, and direct them to do so. Mr. Jones seconded the motion. Motion carried. Ms. Porter will draft a letter under Mr. Van Orden's signature and have Mr. Hodge approve it before sending.

8. EXAMINATION: COMPUTERIZATION OF THE UNIFORM CPA EXAM: Mr. Gentry briefly discussed his meeting in Texas concerning the computerization of the CPA exam. He expressed his hopes that another member of the Board would consider serving on the committee because his term on the Board ends in August of 1999.

9. UNIFORM ACCOUNTANCY ACT: The Board reviewed a letter written to the Idaho Society of CPAs informing them that the Idaho Association of Public Accountants intends to oppose legislation of the UAA. The IAPA also stated that they felt the use of state funds to promote the legislation was a misuse of public funds and a conflict of interest. Mr. Jerry Berggren informed the Board that the IAPA had no choice but to oppose the UAA because they were not given an opportunity to express their opinion. Ms. Porter informed Mr. Berggren that the IAPA had been notified of the dates and times of all UAA public meetings sponsored by the Board. Their input was also solicited via a survey placed in the IAPA's newsletter. Mr. Drake informed Mr. Berggren that nothing inappropriate was being done concerning the funds spent for the public meetings held around the state. The public meetings were not sponsored to promote the UAA, but rather was an informational tool to obtain the licensees and public opinion. Mr. Drake pointed out that state agencies often draft and present legislation.

Mr. Van Orden asked each Board member for their opinion on the UAA. In general no one was opposed, but felt some issues still need to be addressed.

10. ELECTION OF OFFICERS: Mr. Gentry motioned to approve the nominations of officers for the upcoming year as follows: Mr. Hodge, Chair; Mr. Cotterell, Vice-Chair and Investigative Chair; Mr. Stewart, Treasurer; Mr. Jones, Secretary. Mr. Etter seconded the motion. Motion carried.

11. NASBA Western Regional Meeting:

(A) Public Perception Survey: Ms. Porter updated the Board on the results of the NASBA's Public Perceptions Survey. The Board chose not to have additional surveying done in Idaho.

(B) Other Topics of Interest: Mr. Van Orden informed the Board that he had nominated Mr. Cotterell as a member of the NASBA Board of Directors and asked for their endorsement. Mr. Jones motioned to approve the nomination of Mr. Cotterell to the NASBA Board of Directors. Mr. Gentry seconded the motion. Motion carried.

12. NEXT BOARD MEETING AND NASBA ANNUAL MEETING DATES: The next Board meeting is scheduled for September 24, 1999. The NASBA Annual meeting is scheduled for October 13 - 16, 1999. Mr. Hodge, Mr. Jones, Mr. Stewart and Mr. Etter will be attending.

Mr. Etter praised the Board for their due diligence in handling complaints that have been brought before them.

Mr. Gentry and Mr. Van Orden both expressed their pleasure in serving on the Board. Their terms expire on August 31, 1999.

There being no further business to be brought before the Board, the regular session adjourned at 5:55 PM.

Alan Van Orden, Chair

Leonard Hodge, Vice-Chair

LaVern Gentry, Secretary