

Illinois Board of Examiners
Board Minutes—April 25, 2014
1120 E. Diehl Road, Suite 165
Naperville, IL

Members present: Dr. Penelope Yunker, CPA, Chair, Howard Engle, CPA, Vice Chair, Claireen Herting (by phone), CPA, JD, James Kelley, CPA, Rhonda Kodjayan, CPA, Sara Mikuta, CPA, Dr. Simon Petravick, CPA, Thomas Winkler, CPA, JD, Sheldon Holzman, CPA, Sharon Morrow and Phyllis Walker

Staff: Russ Friedewald, Executive Director
Matthew Hoffman, Business Manager

Guests: Mr. Todd Shapiro, President & CEO, IL CPA Society
Ms. Jennifer Schultz, Vice President and CFO, IL CPA Society

Call to Order

Chairperson Yunker called the meeting to order at 10:00 AM

ACTION: Chairperson Yunker motioned to accept the January 17, 2014 minutes. Mr. Kelley seconded the motion. Note: Ms. Morrow asked that it be noted she voted against reimbursement of attendees to the Educators Conference held April 4, 2014. Motion passed as amended.

Report of the Chair- P. Yunker

Dr. Yunker offered her appreciation for the monthly updates from the Executive Director.

Dr. Yunker discussed attendance at the upcoming Regional meetings and encouraged attendance at one or the other locations.

Dr. Yunker briefly discussed the materials the State Society would like included with the Board's certificates and had Ms. Schultz explain to the Board what the materials would include. The ICPAS agreed to cover any additional postage cost.

Dr. Yunker advised the Board the Executive Committee approved paying Cheryl Wilson and Joanne Vician a stipend for their assistance with the Administrative Rules revision. Compensation will not exceed 48 hours each.

Report of the Executive Director- R. Friedewald

ACTION: a. Mr. Friedewald discussed the most recent scores and distributed the score book for signature.
b. Mr. Friedewald provided a copy of the Auditor General's final report and discussed the findings. One of the findings pertained to having no identity protection policy. Mr. Friedewald advised the Board he had obtained a copy of the policy developed for the Department of Financial and Professional Regulation and felt it would meet the requirement. The Board asked Mr. Friedewald to have Mr. Schmadeke, the Board attorney review that policy to

see that it meets the Board's requirements.

c. Mr. Friedewald provided an update on the Iron Data installation.

The Board was in agreement that a security check on our systems was warranted. Mr. Friedewald agreed to contact Central Management Services for any assistance they may provide and will report to the Board on what current measures are in place.

d. Mr. Friedewald discussed with the Board the cost of employing an international evaluator versus continuing to use NASBA for our International evaluations. Discussion centered on the cost of benefits as well as the benefit of having our own evaluator vs continuing to use NASBA. In comparing the cost associated with using NASBA versus having an in-house evaluator, the Board determined it would be more cost effective to continue using NASBA to do our evaluations. Mr. Engle made a motion that we do the due diligence to ensure that NASBA is meeting our standards for evaluations of international candidates. Mr. Holzman seconded the motion. Following discussion, the motion passed unanimously.

e. Mr. Friedewald shared a photocopy of the final check from the U of I. Additionally, Mr. Friedewald discussed the revised certificate with the printed names under Board member signatures.

ICPAS Update- Jennifer Schultz, Todd Shapiro

Legislative update- Mr. Shapiro provided an update on the pending legislation including firm mobility, provisional licensure, tax on services and cleanup of existing legislation.

Mr. Shapiro also discussed the Society inserts they would like to include with the Board's certificates. Following the discussion, Mr. Holzman made a motion to include the Society inserts with the Board's certificates. Ms. Kodjayan seconded the motion. The motion passed by unanimous voice vote.

ILBOA COMMITTEE AND TASK FORCE REPORTS

Administrative Committee- T. Winkler

Mr. Winkler reported the Administrative Rules rewrite group met in February along with the Board's attorney, Charles Schmadeke, to begin the process of reviewing and revising the Administrative Rules. Mr. Winkler further advised that teams were established and assignments made for the revision process. Mr. Schmadeke gave an overview of what the rules were, how they were applied and how they can be revised. Teams will meet as scheduled and the committee will meet as a whole on July 16th.

Candidacy Committee- C. Herting

Ms. Herting reported there were no appeals since the last Board meeting.

Education Advisory Task Force- S. Petravick

Dr. Petravick provided a review of the Educator Conference held April 4th and reported there was very positive feedback from all attendees.

Finance Committee- H. Engle

Mr. Engle provided a financial report and discussion centered on possible financial internal control review by NIU as well as a financial statement audit. Mr. Friedewald agreed to look into the matter and report to the Board.

Nominating Committee- T. Winkler

Mr. Winkler reviewed the nominating committee meeting and reminded the Board the Governor's letter had gone out to recommend reappointment of current Board members as well as the appointment of Jeannie Folk and Larry Wocjik for any vacancies. Mr. Winkler also discussed the committee's affirmation of nomination of Mr. Engle for Chair. Dr. Yunker advised the Board she will resign following her term as Chair. Mr. Winkler discussed the committee's position on the vice chair nomination. He advised there were two people interested in the position and also asked the Board if they want the committee to make a nomination or would the Board prefer to make the decision.

Ms. Morrow expressed disappointment in the process of nominating officers and the lack of consideration for public members as chair. Ms. Morrow advised she was removing her name from consideration as Vice Chair.

State Liaison Committee- S. Morrow

No report

Strategic Planning Committee- S. Holzman

Mr. Holzman recommended the Strategic Planning process be deferred until after the first draft of the administrative rules rewrite.

NASBA COMMITTEE REPORTS

By Laws Committee- T. Winkler

Mr. Winkler reported there had been two phone conferences and that the committee would like to stagger the director's terms as Regional Directors because of the frequency of change. Regional Directors serve one year terms. The other issue discussed dealt with which directors should be allowed to attend the Executive Director conference.

CBT Administration Committee- P. Walker

Ms. Walker advised the Board that in 2014 there will not be an extension of the testing window.

Ms. Walker also advised the International administration of the CPA examination is doing well.

Ms. Walker noted the next meeting of the committee will be July 29th.

Communications Committee- J. Kelley

Mr. Kelley reported the committee is meeting monthly. The next meeting will be in Denver on May 5th. Mr. Kelley reported that NASBA has a new social media unit and that there will be representation from this unit at the regional meetings to discuss social media.

Education Committee- S. Morrow

No report

Ethics & Strategic Issues Committee- S. Holzman

Mr. Holzman reported the committee met by conference call and more recently in person in Dallas in February. They have since generated a letter to state Boards on ethics codification. Mr. Holzman advised this to be a matter more suited to the Public Accounting Registration Committee.

Global Strategies Committee- H. Engle

Mr. Engle reported participation in a conference call recently which outlined the primary activities of the committee for this year. The first is to inventory international accounting groups and assess what they do and then communicate to them what NASBA does. The second initiative is to evaluate and then decide whether a conferences should be held for international regulators and showcase NASBA to these groups. The third initiative is to develop a repository for all of the products and resources that NASBA has and make those available to all of the international organizations.

Nominating Committee- C. Herting

Ms. Herting reported that Donny Burkett from South Carolina is the new vice chair of NASBA. Ms. Herting also advised the committee has discussed attempting to limit campaigning for support. Dr. Yunker reminded the members that the Board of Examiners does not support any candidate for any NASBA office. Ms. Herting reminded the Board that committee issues are confidential and that she was not at liberty to further discuss the committee's meeting.

Unfinished Business None

New Business None

Dr. Yunker reminded the Board the next meeting would be July 14th at 10:00 am.

Dr. Yunker adjourned the meeting at 2:45 PM