

Illinois Board of Examiners Meeting
Board Minutes-January 14, 2015-10:00 AM
1120 E Diehl Road, Suite 165
Naperville, IL 60563

Members Present: Howard Engle, Chair, CPA; Sheldon Holzman, Vice-Chair, CPA (participated by phone); Claireen Herting, CPA, JD; James G Kelley, CPA; Rhonda Kodjayan, CPA; Sara Mikuta, CPA; Simon Petravick, CPA and Thomas W Winkler, CPA, JD

Members Absent: Phyllis Walker

Guest: Mr. Todd Shapiro, President and CEO, Illinois CPA Society (ICPAS)

Staff: Russ Friedewald, Executive Director
Tia Marie France, Assistant Director
Matthew Hoffman, Business Manager
Carla Ratchford, Assistant Director

Call to Order

Chairperson Engle called the meeting to order at 10:10 AM.

ACTION 1. Approval of October 16, 2014 Minutes

Chairperson Engle motioned to accept the October 16, 2014 board meeting minutes. Mr. Kelly seconded the motion. Motion passed on unanimous voice vote.

2. Report of the Chair-Mr. Howard Engle

- a. Chairperson Engle stated the Governor has not made any new board appointments.
- b. Chairperson Engle discussed the specifics pertaining to the recent meeting with Mr. Manny Flores, Acting Secretary of the Illinois Department of Financial and Professional Regulations (IDFPR) and Mr. Friedewald. The IDFPR will continue its relationship with the Board. The agency will be attending an upcoming Board meeting as well as submitting information for the Board's inaugural newsletter.
- c. Chairperson Engle reported on the budget projections and deficits for fiscal year 2015.

3. Report of the Executive Director-Russ Friedewald

ACTION

- a.** Mr. Friedewald reviewed and discussed the 4Q14 scores with the board and requested signatures of the members. The most recent examination statistics information will be forwarded once received from NASBA. Mr. Friedewald pointed out that there is a slight difference in the data yielded by the Board and NASBA due to the information used by each organization.
- b.** Mr. Friedewald updated the Board regarding the companies that have responded in regards to submitting proposals for the external penetration testing. It was also stated that references are welcome.
- c.** Mr. Friedewald explained to the Board that the verbal contract with Michael Logic Administration (MLA) has been rescinded. VisionFriendly has been selected to re-design the website.
- d.** Mr. Friedewald submitted section edits of the rules in response to the rewrite project. March 1, 2015 is the goal by which to have all of the edits ready to submit to JCARR. These edits include recognizing NASBA as the sole evaluation service for the Board's foreign applications as well as some flexibility in regarding accepted accreditation.
- e.** Mr. Friedewald submitted the Annual Report of Activity for the Board to the Governor's office as well as the Auditor General in December 2014.
- f.** Mr. Friedewald stated that the Board is ahead of current projections; however, the goal is to be where the organization was two years ago in regards to the number of applications processed. Ms. Ratchford discussed the New Application/Complete-Incomplete Documents process and current application completion timeline for the Evaluation Services Department.
- g.** Mr. Friedewald stated that the Board has set up and incorporated social media accounts on Facebook and Twitter.
- h.** Mr. Friedewald submitted a mock-up of the forthcoming newsletter. Mr. Holzman stated that there needs to be an "Opt Out" option in the e-mails containing the newsletter. And Mr. Petravick inquired about tracking the analytics in regards to the newsletter.

4. ICPAS Update-Mr. Todd Shapiro and Ms. Jennifer Schultz

Mr. Shapiro stated that all acting and pending appointments sent to the Governor's office from the previous administration were rescinded. The rescinded appointments will be resubmitted. The Office of Citizens for the State, which handles state appointments, is still vacant as of today's date. The ICPAS is launching a new campaign in 2015 titled "Why You Should Become a CPA". This campaign, unlike previous ones, will not be focused on public accounting.

5. Financial Update for Last Reported Month-Mr. Matt Hoffman

Mr. Hoffman presented and discussed both the last quarter and the year-to-date's financials. He also mentioned that revenue is down 1% from projections.

ILBOE COMMITTEE AND TASK FORCE REPORTS

6. Administrative Committee-Mr. Winkler

No Report

7. Candidacy Committee-Ms. Herting

Mr. Friedewald stated that there is one outstanding appeal. And a phone meeting has been scheduled for Thursday, January 15, 2015 in order to discuss further action.

8. Education Advisory Task Force-Mr. Petravick

No Report

9. Financial Committee-Mr. Engle

Chairperson Engle stated that he has contacted NASBA regarding other jurisdictions' projection trends. He is still awaiting a response.

10. Nominating-Mr. Winkler

Mr. Winkler discussed the three Board positions that are presently vacant. Recommendations should be submitted by February 28, 2015. And these will be discussed at the next Board meeting scheduled on April 16, 2015.

11. State Liaison Committee

No Report

12. Strategic Planning-Mr. Holzman

No Report

NASBA/AICPA Committee Reports

13. Bylaws Committee-

No Report

14. CBT Administration Committee-Ms. Walker

No Report

15. Communications Committee-Mr. Kelley

Mr. Kelley discussed the possibility of the Board being an example for other jurisdictions in regard to the newly-implemented communication plan.

16. Education Committee- Ms. Kodjayan

Ms. Kodjayan reported the predominant issue the committee is focusing on is Accreditation. As we are faced with many alternative types of learning such as MOCS, online courses and Competency-Based Programs, we have to determine how to evaluate these relative to the traditional model. Course content and various accreditation bodies have been discussed in detail.

An update of the UAA Rules is also on the agenda as well as Research Grants.

17. Ethics & Strategic Issues Committee-Mr. Holzman

Mr. Holzman stated that the AICPA's recent meeting produced a draft of the new Ethics Codification. The topic of merged firms was also discussed.

18. Global Strategies Committee-

No Report

19. Nominating Committee-Ms. Herting

No Report

Unfinished Business-

Chairperson Engle discussed the unresolved investment issue with Northern Illinois University (NIU). Mr. Friedewald stated that he has contacted Ms. Tammy Farley, Director of Treasury Operations, NIU, and is awaiting a response. And Mr. Petravick suggested that an inquiry be made regarding lower administrative fees compensating for the lack of investment reserve.

New Business-None

ACTION Chairperson Engle adjourned the meeting at 12:28 PM.