

Illinois Board of Examiners Meeting
Board Minutes-July 14, 2014-9:00 AM
1120 E Diehl Road, Suite 165
Naperville, IL 60563

Members Present: Dr. Penelope Yunker, Chair, CPA; Howard Engle, Vice-Chair, CPA; Sheldon Holzman, CPA; James G Kelley, CPA; Rhonda Kodjayan, CPA; Sharon Morrow; Dr. Simon Petravick, CPA, Phyllis Walker and Thomas W Winkler, CPA, JD

Members Absent: Claireen Herting and Sara Mikuta

Guest: Ms. Joanne Waggoner, Chair, Public Accounting Registration and Licensing Committee

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

Call to Order-First Meeting

Chairperson Yunker called the meeting to order at 9:10 AM.

ACTION 1. Approval of April 25, 2014 Minutes

Chairperson Yunker motioned to accept the April 25, 2014 board meeting minutes. Mr. Holzman seconded the motion.

2. Report of the Chair-Dr. Penny Yunker

a. Dr. Yunker discussed topics presented at the NASBA regional meetings.

ACTION b. Mr. Friedewald stated that he is in talks with Northern Illinois University (NIU) regarding possibly having the university assist the board in a regular review of the board's internal controls. Following further discussion regarding system security. Mr. Kelley motioned to request proposals from firms to review the board's Information Technology profile to ensure the board has the appropriate safeguards and technology in place to accomplish the board's objectives and fulfill the board's mandate.

ACTION c. Dr. Yunker discussed the revisions to the candidate certificate received upon certification. Mr. Engle motioned to accept the final revision and Mr. Kelley seconded the motion.

d. Dr. Yunker presented the possibility of NIU processing Mr. Friedewald's payroll instead of the present company, ADP.

ACTION Executive Session

Board members went into executive session to discuss personnel related issues. Once back in open session, the members voted to approve the personnel recommendations from the closed session.

3. Report of the Executive Director-Russ Friedewald

ACTION a. Mr. Friedewald reviewed the 2Q14 scores with the board and requested signatures of the members. The 1Q14 statistics and current trends were also discussed in detail.

b. Mr. Friedewald discussed plans and processes related to the IT system and its security. This is ongoing and reports will be provided on or before the next meeting.

- c. Mr. Friedewald provided inserts regarding the policies surrounding privacy, indemnification and investment with NIU. Edits to the social security number (SSN) policy were discussed as well as exposure for liability. The board does not have independent authority to invest its funds and the current NIU policy prohibits investing funds other than those of NIU. Ms. Tammy Farley, Director of Treasury Operations, NIU, is pursuing a change to the NIU policy to allow investment of the board's funds.
- d. Mr. Friedewald stated that the international evaluations (FY 14 report cost comparisons-short and long-term) are forthcoming and will be forwarded to the Executive Committee.
- e. Mr. Friedewald provided a schedule of mandated reports which was reviewed and discussed.
- f. Mr. Friedewald presented the possibility of a contract agreement between the board and Mr. Ric Rose, Network Manager. A job description for his position was requested by the board members.

4. Illinois CPA Society (ICPAS) Update-Ms. Jennifer Schultz

Ms. Schultz was unable to attend and Dr. Yunker advised the board and ILBOE staff that ICPAS inserts regarding membership will now be included in all certificate mailings effective immediately.

5. Public Accounting Registration and Licensing Committee (PARLC) Update-Ms. Joan Waggoner

Ms. Joanne Waggoner, Chair, discussed the duties and obligations of the advisory committee to Mr. Manuel "Manny" Flores, Acting Secretary, Illinois Department of Financial and Professional Regulation (IDFPR) and Mr. Jay Stewart, Division Director over the Division of Professional Regulation, IDFPR.

ILBOE COMMITTEE AND TASK FORCE REPORTS

ACTION 6. Administrative Committee-Mr. Winkler

Mr. Winkler led the discussion regarding the recent revisions to some of the rules. Mr. Friedewald provided copies. Approval to add broader wording regarding accreditation was also discussed. Mr. Winkler motioned to accept it and Ms. Kodjayan seconded. Unanimous approval reached by the members. There will be a maximum number of six (6) internship hours awarded toward the overall 150 semester credit hours (SCH). And Provisional Status rules are currently under review.

7. Candidacy Committee-Ms. Herting

Ms. Herting was not present. Mr. Friedewald provided copies of the annual appeals. Ms. Walker strongly recommended that a proper document destroying process be implemented.

8. Education Advisory Task Force-Dr. Petravick

No Report

9. Financial Committee-Mr. Engle

Mr. Engle stated that financial statements are current. The board agreed that monthly reports will be sent to the Finance Committee and any member. Mr. Friedewald stated that the completed projected FY 2015 budget will be e-mailed to the Finance Committee.

10. Nominating-Mr. Winkler

Mr. Winkler and the board members discussed renewal terms.

11. State Liaison Committee-Ms. Morrow

No Report

12. Strategic Planning-Mr. Holzman

No Report. The committee will proceed once the Administrative Committee meets.

NASBA/AICPA Committee Reports

13. Bylaws Committee-Mr. Winkler

Mr. Winkler stated that a report was submitted to the Executive Director Committee. Voting regulations regarding the Chairs and Vice-Chairs were also discussed. The proposal to stagger terms for Regional Directors was postponed and is scheduled to be discussed at a later date.

14. CBT Administration Committee-Ms. Walker

No Report

15. Communications Committee-Mr. Kelley

Mr. Kelley discussed board communication luncheons, changes to public service announcements (PSA) and new-attendee suggestions. A status update meeting is scheduled for late July 2014.

16. Ethics and Strategic Issues Committee-Mr. Holzman

Mr. Holzman discussed the most recent edits to the AICPA's Ethics Codification Project.

17. Global Strategies Committee-Mr. Engle

Mr. Engle stated that the committee is currently assessing what information NASBA can communicate to the foreign accounting groups that will positively further the relationship.

18. Nominating Committee-Ms. Herting

No Report

Unfinished Business-None

New Business-None

Dr. Yunker adjourned the first meeting at 3:15 PM.

SECOND MEETING- Presentation of Nominees for 2014-2015 Chair

Call to Order-Second Meeting

Dr. Yunker called the meeting to order at 3:16 PM.

Presentation of Nominees for 2014-2015 Chair

Mr. Winkler nominated Mr. Howard Engle as Chair and Mr. Sheldon Holzman as Vice Chair.

Election of Vice and Vice-Chair

Dr. Yunker made a motion to elect Mr. Engle as Chair and Ms. Kodjayan seconded the motion. Mr. Engle was elected by unanimous voice vote. Dr. Yunker made a motion to elect Mr. Holzman as Vice Chair and the motion was seconded by Ms. Kodjayan. Mr. Holzman was elected Vice Chair by unanimous voice vote.

Dr. Yunker adjourned the second meeting at **3:30** PM.