

Illinois Board of Examiners
Board Minutes, January 21, 2010
II. CPA Society
550 W. Jackson, Chicago, IL

Present:

Board Members: Margaret Cartier, Gary Fish, Claireen Herting, Kenneth Hull, Myra Swick, Cheryl Wilson, Penelope Yunker

Staff:

Russ Friedewald, Executive Director
Vicki Van Uithoven, Asst. Director
Robbin Burge, Asst. Director

Absent:

Richard York, Board Member

1. Ms. Swick called the meeting to order at 10 am. Ms. Cartier moved to accept the October 26, 2009 minutes. The motion was seconded by Ms. Wilson. Motion carried to accept the minutes with changes.

2. Report of the Chair (M. Swick)

- a. Ms Swick discussed the letter to ICPAS regarding appointment to REG & LEG Committee and the Board's continuing participation with the ICPAS legislative contacts program.
- b. Ms. Swick announced that the date of the ICPAS Banquet will be June 15, 2010.
- c. Ms Swick brought up the nomination of the Vice Chair of NASBA recommendations. Deadline for nominations is Feb. 25th. Ms. Wilson moved and Ms. Herting seconded a motion not to support anyone at this time for Vice Chair of NASBA. The motion carried by unanimous voice vote.

3. Executive Director's report (R Friedewald)

- a. Mr. Friedewald advised the Board of a meeting with the University of Illinois Registrar regarding electronic transfer of transcripts. Mr. Friedewald expressed his pleasure at the reception he and Robbin Burge received and are encouraged by the fact that the U of I is anxious to work with us on electronic transfer. In the meantime, Mr. Friedewald shared that IBOE is currently receiving transcripts electronically from Notre Dame, DePaul, Univ. of Phoenix and the Univ. of Chicago.
- b. Mr. Friedewald shared with the Board that the next project will be to look at new data systems, including a new product from VERSA. Mr. Friedewald indicated that there were two or three other companies that he was going to look at before putting out a proposal for bid.

- c. Mr. Friedewald advised the Board that a new phone system had just been installed by a company by the name of DNDC from Champaign and that so far it was working well including the new "Dashboard" system. The "Dashboard" is a monitoring screen on Ms. Burge and Ms. Van Uithoven's desks and allows for monitoring as well as activity reports.
- d. Mr. Friedewald advised the Board that the Academic Professionals in the office are subject to four furlough days per University of Illinois directive. Mr. Friedewald clarified that our payroll does not impact the University's budget and therefore our staff should not be impacted by the furlough directive. Mr. Friedewald will draft a letter to the Vice Chancellor for the Finance Committee review and approval expressing the Board's position on this matter.
- e. Mr. Friedewald distributed a printout of the CPA exam performance of all Illinois colleges for the four quarters of 2009.
- f. Mr. Friedewald provided a summary of the final quarter statistics including 2751 candidates testing in 3948 sections. Dr. Fish moved to accept the scores and Dr. Yunker seconded. Motion carried by voice acclamation.
- g. Mr. Friedewald reported that Prometric will be closing the site at Homewood due to lack of candidates. They also are changing the status of the testing center at Sycamore. The facility will no longer include the Sylvan Learning Center as part of the Prometric Testing Center.
- h. Mr. Friedewald shared a notice with the Board from NASBA announcing that due to meeting a prearranged candidate goal, Prometric will be reducing their fee starting with the 2011 exam period. The fee will be reduced from \$24.80 to \$22.05 per hour. The NASBA and AICPA fees will remain the same.
- i. Ms. Van Uithoven shared with the Board the plan for the new website including a time line with an implementation date of June 15, 2010. The Board reviewed the information provided by Ms. Van Uithoven and suggested that all necessary steps be taken to ensure a design that is professional and user friendly. Ms. Wilson advised she had been in contact with ICPAS regarding the FAQs they use. Ms. Wilson indicated that Jackie Babb is willing to work with us on FAQs to clarify them so we are both using the same ones and we will post these to our new website. Ms. Van Uithoven will provide an update of progress on the new site at the April Board meeting.
- j. Mr. Friedewald reviewed the changes in the Finance, Nominating and Strategic Planning committee descriptions that the Administrative Committee made. It was agreed that we need a whistle blower policy or adjust the university's policy to our needs. The Executive Committee will address the Whistle Blower Policy. Mr. Friedewald will contact the Administrative Committee to schedule a meeting to resolve this issue. The Board discussed changing the Education Advisory Task Force to a committee. The Board agreed the Education Advisory Task Force should now be called the Education Advisory Committee with the educators being the Task Force. Following a rewrite of the description by Dr. Yunker, Ms. Herting moved to call the EATF the Education Advisory Committee. Dr. Fish seconded and the motion carried by voice acclamation.

4. Finance Committee Report- (M. Cartier)

- a. Ms. Cartier recommended condensing the information provided to the Board in order to provide information more relevant to Board members interest. Following a brief discussion, Ms. Swick directed that a “snap shot” of the financials will be provided to members monthly, with the full financial report provided before each Board meeting.
- b. Mr. Hull directed the Board’s attention to the amount of interest received monthly from investments with the University. The percentage of return on investments was less than 1%. Ms. Van Uithoven will verify the percentages and advise the Board as to where the money is invested and why the return was so low.
- c. Ms. Cartier further reported on information relative to online activity

5. Administrative Committee Report- (C. Wilson)

Ms. Wilson reported the results of an Administrative Committee conference call held on January 13, 2010.

- a. Ms. Wilson asked Board members to provide a copy of future Secretary of State Conflict of Interest statements to Mr. Friedewald who will maintain them in the Board office.
- b. Ms. Wilson reported that changes to the Administrative Rules, 1490.90, had been completed by Mr. Hull which included the recommendations from the EATF meeting on October 23, 2009. Mr. Hull moved that we share the final version of the changes with members of the EATF along with a thank you letter advising the members of the EATF that these changes will be presented to the Joint Committee on Administrative Rules. Ms. Herting seconded the motion and the motion passed by voice acclamation.
- c. Ms. Wilson shared the letter developed to advise passing candidates of the Licensing requirement taking effect on July 1, 2010. After brief discussion, the wording in the letter was finalized and agreed upon
- d. Ms. Wilson reviewed the Policy developed by the Administrative Committee to address Board attendance at events sponsored by providers of CPA review courses. Following brief discussion, Ms. Cartier moved to approve the policy. The motion was seconded by Dr. Fish and the motion passed by voice acclamation.
- e. Ms. Wilson led a discussion regarding the utilization of Jeannie Folk’s services during her sabbatical from College of DuPage. Issues which still need clarification include; how Ms. Folk sets up the program to assist us through the College of DuPage; what exactly Ms. Folk will be doing to assist the Board; what liability, if any, the Board would have in the event of an accident; and who would be responsible for completing the contractual agreements. Mr. Friedewald will contact Ms. Folk to resolve these questions. Ms. Wilson shared that Ms. Folk would not receive compensation from the Board, but that we would reimburse her for expenses.

The Board adjourned for lunch at 12:15 PM

The Board reconvened at 1:00 PM

IBOA COMMITTEE AND TASK FORCE REPORTS

6. Candidacy Committee (R York)- No Report

7. Education Advisory Task Force (P Yunker) –

Dr. Yunker led a discussion regarding future meetings of the Educational Advisory Committee. The Board agreed that the Education Advisory Committee will meet periodically.

Following the discussion regarding meeting with the educators, the Board agreed that it would be a good idea to hold a reception with the educators prior to the ICPAS banquet on June 15, 2010. It was the consensus of the Board that this would be a good opportunity to unveil the Board's new website. Dr. Yunker will contact educators to see if there is enough interest from them to have the reception.

8. Nominating Committee (C. Herting)- No report

9. State Liaison Committee—(G. Fish)-

Dr. Fish advised there will be a conference call on Monday, January 25, 2010 with Registration and Legislation Committee. Dr. Fish will report on the results of that call at the next Board meeting.

10..Strategic Planning Committee—(K. Hull)-

Mr. Hull advised there was no report at this time, but that there would be a meeting of the Committee prior to the next Board meeting.

NASBA/AICPA COMMITTEE REPORT

11. Audit (K. Hull)-

Mr. Hull advised that he received a call from David Dupree advising he was surveying members of the committee regarding partner rotation which hasn't happened with NASBA for some time in doing their audit. The NASBA Board agreed that they would change partners this year and then run a regular rotation audit partners.

12. Bylaws (C Herting/M Swick)-

- a. Ms. Herting reported the Bylaws Committee met and agreed that a person must be within six months of their term on their state board before they could initially hold a position on the NASBA board as Regional Director. A person could not serve more than two full terms.

- b. Ms. Swick reported that one issue that was tabled is the clarification of the election of a Regional Director if the region doesn't have a quorum at the Regional Meeting.

13. Education (P Yunker)-

Dr. Yunker reported a call from Mark Harris advising that he would have a document coming out directing what the committee would be doing in the coming year. The first meeting will be held in late spring or early summer.

14. B.O.E. & BEC--Internationalization of the CPA Exam (G. Fish)-

- a. Dr. Fish shared with the Board that the Board of Examiners held an outreach program in Salt Lake City for state boards from the mountain states and that additional outreach programs will be held for other states.
- b. Dr. Fish reminded the Board that lots of changes to the exam are due to take place on January 1, 2011 and that staff needs to be acutely aware of the changes and be prepared for them and advertise them.
- c. Dr. Fish advised that items for the BEC test bank are being developed relating to "governance" and that governance will be part of the BEC beginning sometime after January, 2011.
- d. Dr. Fish reported that the international administration will launch sometime in 2011. The exact sites have not been formally announced. However, it is likely one country will be Japan and the other in the middle east. At this time, no sites in North or South America are being considered in the initial launch.
- e. Dr. Fish advised that Dr. Craig Mills will now be overseeing the CPE Team as well as the CPA Exam Team for AICPA as a result of unexpected staff resignations.

15. State Board Relevance and Effectiveness Committee (M. Cartier –C. Wilson)-

Ms. Wilson reported that this committee is the old Model Board Committee which has been renamed and that Carlo Johnson is the Chair. Ms. Wilson advised that the Committee has already met once via conference call. Ms. Wilson reported that there is still some question as to what the committee's charge is. The Committee is made up of four subcommittees. The first face to face meeting is scheduled for Oklahoma City on February 1. Ms. Wilson reported that the subcommittee she is on will develop the template for a model board.

Ms. Cartier reported that her subcommittee is titled "Develop Budget for an Independent Board" and is to show how an independent board's moneys would be spent (new programs and old), how fees would be assigned and funds given to the state, etc.

16. Nominating Committee- (M. Swick) - No Report

17. Relations w/member boards-(C. Herting)-

- a. Ms. Herting reported that NASBA had hoped for a more successful Expo which was held in Texas. Future expos will be referred to as a Summit and the providers like the changes because they are interested in an exchange of information..
- b. Ms. Herting reported that the Center for the Public Trust is seeking donations.
- c. Ms. Herting reported that the Annual meeting was well received.
- d. Ms. Herting reported that negotiations are ongoing for the CPA examination and that negotiations were slowed by Prometric's delay in securing insurance.
- e. Ms. Herting advised the CPE Advisory Committee is interested in promoting the development of a uniform ethics exams for use in all jurisdictions.
- f. Ms. Herting advised NASBA is still promoting ALD.
- g. Ms. Herting reported that Mobility continues to be an issue, i.e., getting real mobility in all states.
- h. Ms. Herting reported that Joe Cote will be retiring at the end of the year.

Unfinished Business- Ms. Swick shared with the Board the Board Manual mockup prepared by Mr. Friedewald. Mr. Friedewald will e-mail Board Members the contents of the manual and ask that members submit any additional content they feel should be included in the manual.

New Business-

Mr. Hull made a request the IBOE support and promote the concept for the Center for the Public Trust by making a donation of \$1,000. Following further discussion, the Board agreed that we would be able to support the Center for the Public Trust if the Center offered memberships. Ms. Swick will follow up with the Center regarding establishing membership status.

Dr. Fish motioned to adjourn. Since there was no objection, the meeting was adjourned at 2:20 PM.

Submitted by Russ Friedewald, Executive Director