

Illinois Board of Examiners
Board Minutes- May 3, 2017
1120 E. Diehl Road
Naperville, IL

Members present: Sheldon Holzman, CPA, Chair; James Kelley, CPA, Vice Chair; Jeannie Folk, CPA; Sara Mikuta, CPA; Simon Petravick, CPA; Kent Reeves, CPA; Larry Wojcik, CPA, JD; Robert Gallagher, CPA; Thomas Homer, JD

By phone: Howard Engle, CPA; Rhonda Kodjayan, CPA

Guests: Dr. Gregg Woodruff, Chair, Accounting Department, Western Illinois University; Mr. Martin Green, Esq., Vice President, Legislative Affairs, Illinois CPA Society

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

Call to Order:

Chairperson Holzman called the meeting to order at: 9:59 am

Chairman Holzman introduced Dr. Gregg Woodruff of Western Illinois University who addressed the board regarding extending the period of time a provisional student has to submit final transcripts from 120 days from sitting for the first part to 150 days from sitting for the first part. This is all part of a project Dr. Woodruff is spearheading to increase the population of diverse candidates to the accounting program. Dr. Woodruff provided a written statement in support of his proposal.

DISCUSSION

ACTION: The board had a general discussion about making the change from 120 days to 150 days. Following discussion, a motion was made by Sara Mikuta and seconded by Larry Wojcik and passed by unanimous voice vote to propose a rule change extending the provisional time from 120 to 150 days from taking the first part until all final transcripts be submitted. Mr. Friedewald was asked to move forward with the proposed change.

ACTION: Mr. Holzman called for approval of the minutes from the November 9, 2016 board meeting. Dr. Petravick asked the minutes reflect there had been no appeals prior to the last board meeting rather than “no report”. Ms. Folk moved to approve the minutes as amended and Ms. Mikuta seconded the motion. The motion carried by unanimous voice vote.

Report of Chair:

- a. Mr. Holzman welcomed Mr. Gallagher and Mr. Homer as new members and had everyone introduce themselves, each providing a personal background.
- b. Chairman Holzman discussed our new agreement with NASBA wherein we will now share in the proceeds from those students whose NTS expired and from those students that did not show up for their scheduled examination. Mr. Holzman asked for a motion

to ratify the agreement between the Board of Examiners and the National Association of State Boards of Accountancy as presented.

ACTION- Ms. Mikuta made a motion to accept the agreement and Mr. Kelley seconded the motion and the motion carried unanimously by voice vote.

- c. Chairman Holzman reminded members of NASBA's Eastern and Western Regional meetings to be held in June and encouraged those members planning to attend to be sure to get registered and make travel arrangements. Mr. Holzman also encouraged new members to attend the new board member orientation held at the regional meetings.
- d. Chairman Holzman provided a report as the Regional Director for the Great Lakes Region. This discussion dealt with the use of the CGMA title and whether states will allow this title. CGMAs cannot sign attest engagements or represent themselves as CPA's. NASBA and the AICPA have a joint committee dealing with the UAA language. Mr. Holzman advised the board of the possibility of the UAA language being changed to include the CGMA title.
- e. Chairman Holzman reminded the members of the July 11th meeting and election of officers.

Report of Executive Director

- a. Mr. Friedewald reviewed the score reports from 16Q4 and 17Q1 and distributed the score books for board signature.
- b. Mr. Friedewald discussed the jurisdiction reports provided by NASBA which provide an overview of numbers of candidates testing in a window and the performance of those candidates compared to other jurisdictions.
- c. Mr. Friedewald advised the board that the workload in the office has remained current and transcript evaluations stayed within a two week time frame during the busiest time of the spring semester period.
- d. Mr. Friedewald reviewed the school year presentation list reporting 25 visits during the school year which is a much larger number than in previous years.
- e. Mr. Friedewald reported that he is still working on the succession plan and will complete it for the next board meeting.
- f. Mr. Friedewald provided a list of states that allow candidates to sit at 120 hours vs those that allow sitting at 150 hours. The list also included those states with "provisional" status allowing students to sit in their final terms. This was in response to a request from a previous board meeting. A short discussion followed with no action being taken.
- g. Mr. Friedewald reported on the status of the diversity initiative being undertaken by him and Tia France to promote diversity to minority and underserved students.
- h. Mr. Friedewald advised the board of a change in the fee structure charged by NASBA for foreign students with 12 or fewer hours of foreign education. NASBA will now charge a reduced fee for those students.

i. Mr. Friedewald distributed a listing of states and what each state recognizes as acceptable accrediting organizations. This report was requested a previous board meeting. A short discussion followed with no action being taken.

j. Mr. Friedewald advised the board that Illinois had five Elijah Watts Sells Award winners during the calendar year 2016. The names of the award winners will be printed in the upcoming newsletter and letters of congratulations will be sent to them individually.

k. Mr. Friedewald distributed an excel file showing pass rates for all Illinois colleges having students sit for the CPA exams. This report was just for their information and no action was taken.

Report from Martin Green—Mr. Green provided a legislative update on the spring session of the general assembly.

ILBOE COMMITTEE AND TASK FORCE REPORTS

ADMINISTRATIVE COMMITTEE- L. Wojcik—No Report

CANDIDACY COMMITTEE- S. Petravick- Dr. Petravick reported there were two appeals since the last board meeting.

EDUCATION ADVISORY TASK FORCE- S. Petravick- Dr. Petravick stated that he has begun building an agenda for another educator conference for next year. He indicated that no dates for the meeting have been set.

Dr. Petravick addressed the board regarding the 150 vs 120 hour issue. Dr. Petravick offered data relative to pass rates for each group, noting that provisional candidates have the highest pass rates. He also offered that he would prefer the emphasis be on course work. Mr. Holzman would like to see the results of the “one and done” study being conducted by NASBA and will be reported at the upcoming Data Summit being held in June.

FINANCE COMMITTEE- S. Mikuta/M. Hoffman- Mr. Hoffman provided an update on the financial status of the board.

STRATEGIC PLANNING COMMITTEE- R. Kodjayan- Ms. Kodjayan reported no meetings have been held since the last board meeting due to workloads during the tax season. She indicated the strategic plan will be updated soon.

NASBA/AICPA COMMITTEE REPORTS

CBT ADMINISTRATIVE COMMITTEE- R. Friedewald- Mr. Friedewald reported the CBT Administrative Committee is scheduled to meet in Nashville on May 10th.

COMMUNICATION COMMITTEE- J. Kelley/S. Holzman- Mr. Kelley reported that a meeting will be held next week by phone finalizing plans for regional meeting.

COMPLIANCE ASSURANCE COMMITTEE- L. Wojcik- Mr. Wojcik attended a meeting in Nashville on March 27th and had 30 boards participate in a web conference regarding the AICPA's revised peer review proposal. There were concerns initially raised about the cost of peer review, but everyone realizes that a quality review is expensive and cost is not as great a concern. One important item of note is the Illinois has by far one of the most respected peer review programs.

EDUCATION COMMITTEE- R. Kodjayan- Ms. Kodjayan reported they have had some phone meetings chaired by Raymond Johnson dealing with delivery of education around the world.

INTERNATIONAL QUALIFICATIONS APPRAISAL BOARD- H. Engle- Mr. Engle reported the IQAB Committee agenda was to continue updating cross border agreements with Mexico, Canada and Ireland. He noted that these agreements move very slowly. Mr. Engle reported that discussions with Ireland are moving quickest and an agreement should be forthcoming soon.

BY LAWS COMMITTEE- S. Mikuta- Ms. Mikuta reported one meeting was held in December with no changes being made to the by-laws.

AICPA COMMITTEE

BOARD OF EXAMINERS- S. Holzman- Mr. Holzman reminded the board he had already made his report during the meeting.

The Chair adjourned the meeting at 1:55 pm.