

**Illinois Board of Examiners Meeting**  
**Board Minutes-November 9, 2016-10:00 AM**  
**1120 E Diehl Rd,**  
**Naperville, IL 60563**

**Members Present:** Sheldon Holzman, Chair, CPA, James G Kelley, Vice-Chair, CPA, Howard Engle, CPA, Jeannie Folk, CPA, Rhonda Kodjayan, CPA, Sara Mikuta, CPA, Simon Petravick, CPA, Kent Reeves, CPA and Larry Wojcik, CPA, JD

**Guests:** Mr. Marty Green, VP Government Affairs, Illinois CPA Society (ICPAS)  
Mr. Todd Shapiro, CEO, Illinois CPA Society (ICPAS) (by phone)

**Staff:** Russ Friedewald, Executive Director  
Tia Marie France, Assistant Director of Certification  
Matthew Hoffman, Business Manager  
Carla Ratchford, Assistant Director of Evaluation Services

**Call to Order-First Meeting**

Chairperson Holzman called the meeting to order at 10:03 AM.

**ACTION 1. Approval of July 21, 2016 Minutes**

Vice-Chairperson Kelley motioned to accept the July 21, 2016 board meeting minutes. Ms. Folk seconded the motion. Motion passed on unanimous voice vote.

**2. Report of the Chair-Mr. Sheldon Holzman**

- a. Chairperson Holzman introduced Mr. Kent Reeves, a new appointee to the Board. The members and staff introduced themselves to Mr. Reeves.
- b. Chairperson Holzman recapped the recent National Association of State Boards of Accountancy (NASBA) Annual Meeting, with attention to the Chartered Global Management Accountant (CGMA) designation and Peer Review revisions in addition to upcoming NASBA meeting dates, accreditation, member appointments, the exam, online courses, licensure requirements and cyber security issues. The recap led to an in-depth discussion amongst Ms. Folk, Mr. Friedewald, Ms. Kodjayan, Ms. Mikuta, Dr. Petravick and Mr. Wojcik regarding online courses and accreditation.
- c. Chairperson Holzman relayed the discussions from the American Institute of Certified Public Accountants (AICPA) Council meeting which included audit quality, “white paper issues”, the CPA Profession at both the

national and global levels, legislative updates from Washington DC and cyber risks.

- d. Chairperson Holzman briefly recapped the NASBA board meeting.
- e. Mr. Shapiro joined the meeting by phone. He and various persons in attendance discussed the pros and cons of keeping the Illinois educational requirements at 150 semester credits hours (SCH) or decreasing the total to 120 to sit for the exam and 150 SCH to license. Chairperson Holzman stated that surrounding jurisdictions are decreasing to 120 SCH. Mr. Shapiro stated that of the firms asked, there is no difference in the employees who have sat for the exam with 120 SCH vs 150 SCH. Mr. Engle stated that the SCH were initially increased to the current total because educators felt that it was necessary. Mr. Friedewald will submit additional information to the members regarding the initial reasons to increase the total hours and statistical data in order to discuss the topic further at a later date in response to a request made by Mr. Wojcik. Ms. Mikuta will contact her human resource departments as well. Dr. Petravick will look for academic research regarding the success of candidates sitting at 120 SCH vs. 150 SCH. This topic will also be reviewed every couple of years.

### **3. Report of the Executive Director-Russ Friedewald**

- ACTION**
- a. Chairperson Holzman and the Board approved the 3Q16 scores.
  - b. Mr. Friedewald discussed pass rates among the jurisdictions and discrepancies between the score book and NASBA reports.
  - c. Mr. Friedewald updated the Board regarding the recent resignation of an Office Support staff member and the current hiring process.
  - d. Ms. Ratchford updated the Board on the Evaluation Department in regards to incoming application totals and approval timelines, including provisional status.
  - e. Mr. Friedewald discussed the colleges and universities visited and scheduled for presentations. Chairperson Holzman requested that the schedule be shared with members on a regular basis.
  - f. Mr. Friedewald and the Board discussed measures that jurisdictions have taken in order ensure their websites were American with Disabilities Act (ADA) compliant. VisionFriendly (the Illinois Board of Examiners' (ILBOE) website creator and host) was contacted and a proposal was submitted. Mr. Friedewald will contact ILBOE's counsel in regard to possible recommendations per Chairperson Holzman's request.

- g. Mr. Friedewald stated that he is preparing a transition document per the request of the Chair.
- h. Mr. Friedewald updated the Board on the finalization of the interest distribution for the ILBOE funds on deposit at Northern Illinois University (NIU). Credits for months prior to the finalization date will be discussed at a future meeting.
- i. Mr. Friedewald stated that the Legislative Audit Commission accepted the responses to the most recent compliance audit. It will not be necessary to appear before the Commission.

#### **4. Legislative Update-Mr. Marty Green**

Mr. Green discussed the following matters: Tax Preparer Oversight Act, the appointment of Ms. Jessica Baer as Director of the Illinois Department of Financial and Professional Regulation (IDFPR), the comptroller's local government training, the Illinois Competitiveness Council, fund sweeps and replenishment, tax on professional services, the Public Accounting Act, the Internal Revenue Services (IRS) and registered CPAs and current state bills.

#### **ILBOE COMMITTEE AND TASK FORCE REPORTS**

#### **5. Administrative Committee-Mr. Wojcik**

Mr. Wojcik discussed upcoming changes to the CPA exam and requested that this information be included in the ILBOE website's slideshow instead of the Message Center.

#### **6. Candidacy Committee-Dr. Petravick**

Dr. Petravick reported there were no appeals since the last board meeting.

#### **7. Education Advisory Task Force-Dr. Petravick**

Dr. Petravick stated that issues regarding CPA candidate success when sitting at 120 SCH vs. 150 SCH will be addressed in a forthcoming report.

#### **8. Finance Committee-Ms. Mikuta**

Mr. Hoffman and the Board discussed the budget, variances and current financials vs FY16. Ms. Folk suggested that an e-mail blast regarding the newly implemented Pre-Evaluation application be sent to educators.

#### **9. Strategic Planning-Ms. Kodjayan**

Ms. Kodjayan discussed the updates to prior reports and stated that one additional meeting is to be scheduled and revisions will be submitted to Chairperson Holzman.

## **NASBA COMMITTEE REPORTS**

### **10. Education Committee-Ms. Kodjayan**

Ms. Kodjayan stated that The Association to Advance Collegiate Schools of Business (AACSB) accreditation and recommendations on pathways were discussed in addition to the validity of certain courses and that the research grant deadline has been extended to spring 2017. Deadline confirmation will occur in February.

### **11. Communications Committee- Vice-Chairperson Kelley**

Vice-Chairperson Kelley stated that there will be no breakout sessions at future Annual Meetings. Instead, each committee member will be assigned a jurisdiction. Vice-Chairperson Kelley also mentioned that Chairperson Holzman has been appointed as Chair of the Communication Committee.

### **12. Ethics & Strategic Issues Committee-Chairperson Holzman**

Chairperson Holzman stated that proposals and opinions were discussed as well discussions surrounding the AICPA-NASBA practice continuation agreement.

### **13. Nominating Committee-Vice-Chairperson Kelley**

No Report

### **14. Compliance Assurance Committee-Mr. Wojcik**

Mr. Wojcik discussed how the Peer Review process is not working effectively and how the Committee is looking for guidance from jurisdictions. Chairperson Holzman stated that NASBA is currently working with the AICPA on the proposed change to peer review.

### **15. International Qualifications Appraisal Board-Mr. Engle**

Mr. Engle stated that the Board looks at professional practice standards and qualifications globally and that Ms. Sharon A. Jensen, CPA was appointed its Chair.

## **16. Regulatory Response Committee-Mr. Mikuta**

Ms. Mikuta discussed with the Board the current issues at hand, which include by-laws, Peer Review, hosting issues-cyber and individual and supervision of audits involving global auditors.

## **AICPA COMMITTEE REPORTS**

### **17. Board of Examiners-Chairperson Holzman**

Chairperson Holzman discussed the upcoming meeting in January and June of 2017 related to the scoring process of the new exam. Chairperson Holzman also stated that the diagnostics report for the new exam was approved.

**Unfinished Business-** None

**New Business-**Mr. Friedewald will send an e-mail regarding Prometric site visits and evaluation sheets.

Chairperson Holzman adjourned the meeting at 1:36 PM.