

Illinois Board of Examiners (ILBOE) Meeting
Board Minutes-January 7, 2019-10:00 AM
1120 E Diehl Road, Room 165
Naperville, IL 60563

Members Present: Sara Mikuta, Chair, CPA; Simon Petravick, Vice-Chair, CPA, (participated by phone); S. Bradley Danton; Jeannie Folk, CPA (participated by phone); Thomas Homer, JD; James Kelley, CPA; Rhonda Kodjayan, CPA (participated by phone); Annette O’Conner, CPA; Brian Whitlock, CPA, JD and Larry Wojcik, CPA, JD

Guests: Mr. Marty Green, JD, Vice President, Government Affairs, Illinois CPA Society (ICPAS)

Staff: Russ Friedewald, Executive Director
Mary E. Fitzgerald, Business Manager
Tia Marie France, Assistant Director of Certification
Carla Ratchford, Assistant Director of Evaluation Services

Call to Order-First Meeting

Chairperson Mikuta called the meeting to order at 10:07 AM.

1. Approval of October 7, 2018 Minutes

ACTION Mr. Kelley motioned to accept the October 7, 2018 board meeting minutes. Mr. Reeves seconded the motion. Motion passed on unanimous voice vote.

2. Report of the Chair-Ms. Sara Mikuta

- a. Chairperson Mikuta welcomed all in attendance.
- b. Chairperson Mikuta discussed the following topics addressed during the recent National Association of State Boards of Accountancy (NASBA) Annual Meeting: internal controls, Federal Deposit Insurance Corporation (FDIC) issues related to accountancy, an update on possibly allowing continuous testing by January 1, 2020, international expansion, NASBA’s Center of Public Trust and local chapter expansion, NASBA Bylaws Committee meeting discussions, the reports of NASBA’s Finance, Audit & other Committees, the State of California’s accounting curriculum, the revised Uniform Accountancy Act (UAA), ongoing legal case updates and occupational licensing.

Mr. Todd Shapiro, President & CEO, ICPAS will update the ILBOE Board at the next scheduled meeting on the alternative pathway working group recommendation.

3. Legislative Update-Mr. Marty Green

Mr. Green discussed the following important topics: Newly-elected Attorney General Kwame Raoul, the possible graduated income tax trajectory in Illinois, the 101st General Assembly and new majority leader selections, transition announcements and the ICPAS' outreach to new members, State of Illinois issues & challenges, renewal cycles for individual Certified Public Accountants (CPAs) and CPA firms, SB 3646-Occupational Board Reform Act and the Executive Director position for the Division of Professional Regulation.

Mr. Green also stated that legislative review of all occupations is occurring and specific details were discussed. Mr. Wojcik and Mr. Green discussed the ICPAS' actions taken to separate the CPA profession from the others.

4. Report of the Executive Director-Mr. Russ Friedewald

ACTION

- a.** Mr. Friedewald presented Chairperson Mikuta and the Board with the 4Q18 scores for approval. Motion to approve was made and carried unanimously. Mr. Friedewald and the Board compared the 18Q4 & 17Q4 data.
- b.** Mr. Friedewald updated the Board on the recent ILBOE penetration test results and explained to the new members that the ILBOE policy was edited and adopted to require annual testing. Chairperson Mikuta requested the inclusion of prior year's results for future reports in addition to an update on her previous request of Northern Illinois University's (NIU) penetration testing results. Mr. Danton requested the remediation report for current and future tests.
- c.** Mr. Friedewald stated that Section 1400.115: Examinations-Required Confidentiality Statements, parts c) and d) of the Administrative Rules can be eliminated if continuous examination testing is approved and no other revisions are required per ILBOE legal counsel. Additional editing suggestions were forwarded to Mr. Friedewald.
- d.** Ms. France advised the Board that the website upgrade project is about 75% complete.
- e.** Mr. Friedewald discussed the Auditor General's Report findings in detail and stated that new policies were approved and implemented as corrective action. Mr. Wojcik requested that all financial policies be submitted to the Finance Committee for review.
- f.** Mr. Friedewald and the Board reviewed the ILBOE Annual Report.

g. Mr. Friedewald and the Board discussed options related to holding a future joint ILBOE and Illinois Department of Financial and Professional Regulation (IDFPR) board meeting at an Illinois university or college. The date is TBD.

h. Mr. Friedewald, Ms. France, Ms. Ratchford and the Board reviewed and discussed diversity and inclusion and community outreach activity and events.

ILBOE COMMITTEE AND TASK FORCE REPORTS

5. Administrative Committee-Mr. Larry Wojcik

No Report

6. Candidacy Committee-Ms. Jeannie Folk

Ms. Folk discussed the three appeals received.

7. Education Advisory Task Force-Mr. Simon Petravick

a. Dr. Petravick, the Board and ILBOE staff discussed the data surrounding candidates who sit at 150 semester credit hours (SCH) versus those who sit at 120. If Illinois changes its policy to allow candidates to sit at 120 SCH, the ILBOE will still be responsible for evaluating the additional 30 SCH required for certification before licensure. Dr. Petravick also explained the survey results received from Illinois school faculty regarding 120 SCH vs 150 SCH.

Mr. Green stated that ICPAS discussed possible impact on large firm recruitments and transfers with the Big 4 Firm professional licensure contacts. The firm(s) responded that a switch to 120 hours from 150 hours to sit for the exam would not have a negative or positive impact on firm recruitments or credentialing.

b. Dr. Petravick stated NASBA provides two books related to exam statistics and that candidate information is compared between data provided by NASBA and the American Institute of CPAs (AICPA) for reports. Exam statistics were discussed in detail.

8. Finance Committee- Ms. Sara Mikuta & Ms. Mary E. Fitzgerald

Ms. Fitzgerald stated that NIU's current finances are unavailable until January 10, 2019 and that updated information is forthcoming. Ms. Fitzgerald and the Board discussed the financial statements supplied. The Finance Committee will review the current ILBOE accounts payable processes in order to combine them into one universal policy. Chairperson Mikuta and Ms. Fitzgerald stated that out of state travel costs discussions related to the Board Members and ILBOE Executive Director will be revisited after the Governor's office is contacted.

9. Strategic Planning-Ms. Rhonda Kodjayan

No Report

AICPA/NASBA COMMITTEE REPORTS

10. Bylaws Committee-Mr. Thomas Homer

No Report

11. CBT Administration Committee-Mr. Russ Friedewald

No Report

12. Compliance Assurance Committee-Mr. Larry Wojcik

Mr. Wojcik discussed the Peer Review updates.

13. Diversity Committee-Ms. Rhonda Kodjayan

No Report

14. Education Committee-Mr. Simon Petravick

Dr. Petravick stated that discussion of various ways to earn SCH and other topics occurred during the first day of the meeting. A complete report is forthcoming.

15. Ethics Committee-Mr. Jim Kelley & Mr. Larry Wojcik

Mr. Kelley discussed the updates concerning the Code of Professional Conduct.

16. Regulatory Response Committee-Ms. Sara Mikuta

Chairperson Mikuta relayed the issues regarding forensic services and augmentation.

Unfinished Business-

Mr. Wojcik requested an update on previous conversation regarding requesting NASBA support of the Mary T. Washington Wiley activities. Chairperson Mikuta will converse further with Ms. Kodjayan and also contact Ms. Kari Natale, Director, Planning & Governance, ICPAS.

New Business-None

ACTION Chairperson Mikuta adjourned the meeting at 1:17 PM.