

**Illinois Board of Examiners (ILBOE) Meeting  
Board Minutes-July 24, 2019-10:00 AM  
1120 E Diehl Road, Room 165  
Naperville, IL 60563**

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

**Guests:** Mr. Daniel Dustin, CPA, VP, State Board Relations, the National Association of State Boards of Accountancy (NASBA); Mr. Marty Green, VP of 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 10:03 AM.

**1. Approval of April 24, 2019 Minutes**

**ACTION** Mr. Kelley motioned to accept the April 24, 2019 board meeting minutes. Mr. Whitlock seconded the motion. Motion passed on unanimous voice vote.

**2. Report of the Chair-Ms. Sara Mikuta**

- a. Chairperson Mikuta and the Board discussed the Eastern and Western Regional NASBA meetings’ topics.
- b. Chairperson Mikuta discussed the Board members’ term expirations in addition to new member applications and recommendations submitted for appointments in accordance with the State of Illinois statute.
- c. Chairperson Mikuta reminded the Board of NASBA’s Annual Meeting dates-October 27-30, 2019 and expected Board member attendance was discussed. Members were also reminded of the travel approval process.

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

- ACTION**
- a.** Mr. Friedewald presented Chairperson Mikuta and the Board with the 19Q2 scores for approval. Motion to approve was made and carried unanimously. Mr. Friedewald and the Board compared the 19Q2 and 18Q2 data.
  - b.** Mr. Friedewald stated that the Administrative Rules edits have been initiated and various ILBOE staff members have reviewed them. A draft is forthcoming.
  - c.** Mr. Friedewald stated that the new website is live.
  - d.** Mr. Friedewald, Ms. France and Ms. Ratchford updated the Board on high school presentations and events for accounting as a career and the ILBOE's NASBA webcast on diversity and inclusion. The Board expressed its appreciation for the outreach work being done.
  - e.** Mr. Friedewald stated that the ILBOE is in compliance with all previous audit findings and that consent will be placed for review by the Auditor General's office.
  - f.** Mr. Friedewald stated that Northern Illinois University (NIU) submitted information in relation to their penetration test results.

### **4. State Relations Update- Mr. Daniel Dustin**

- a.** Mr. Dustin discussed the following updates as they relate to NASBA: additional NASBA meetings, new member orientation, tools and services for state boards, diversity, anti-regulatory and criminal legislation, the Alliance for Responsible Professional Licensing (a coalition of national associations that represents highly complex, technical professions and their national licensing boards), the Uniform Accountancy Act (UAA) Committee (international pathway, updated language, revised continuing professional education (CPE) standards and model rules, peer review exposure draft (comments due June 30, 2019) and Noncompliance with Laws and Regulations (NOCLAR) Task Force, report signing and education).
- b.** Mr. Dustin updated the Board on the Evolution of the CPA Exam: Guiding Principles' recommendations by The Working Group, which include having one exam substantially modified and rapidly updated in order to assess and confirm candidates' ability to use technology and analytics to perform core services without increasing the exam hours.

The five Guiding Principles for the recommendations were summed up as the following: a quick adaption to technology and continuous evolution, recognition that technological and analytical expertise is essential, rethinking initial licensure requirements, redesign of the profession and licensure for attraction of individuals with technological and analytical expertise and that changes must be rapid,

transformational and substantive without negative impact to the current pipeline. The next steps in the CPA evolution were also mentioned.

**c.** Mr. Dustin, the Board and ILBOE staff discussed in detail the 150 vs 120 Task Force issues and concerns, which include, the Certified Public Accountant (CPA) as a profession, lack of specificity for the additional 30 hours, barriers to entry and requirements to sit for the exam.

The following recommendations came out of the discussion: Maintain and support 150-hour education model; better articulation in regard to the profession's benefits; education of state boards about inconsistencies with the UAA (focus on content rather than specific coursework); consider additional content, such as technology; refocus students on career enhancing coursework; encourage NASBA-funded research projects focused on incoming students; assist state boards in understanding risks and educate all stakeholders on the 150 hour model benefits. Ms. Ratchford stated that it would be useful to the candidates if the additional 30 hours were shaped around the tasks performed on the job in order to help propel them towards positions above entry level.

**d.** Mr. Dustin updated the Board regarding increased exam attendance in a specific jurisdiction when a particular university revised its accounting coursework. Mr. Dustin and Mr. Danton discussed non-accounting graduates with accounting experience vs. graduates with an accounting degree in regard to experience in the work place. Ms. Folk stated that the publishers incorporating technology into the course books is key for graduates' success with the exam and the work place.

Vice-Chair Dr. Petravick, Mr. Wojcik and Ms. O'Connor discussed analytics and how it is conveyed and used by definition. Mr. Dustin and Mr. Friedewald discussed the fact that more people with experience are being hired with technology backgrounds and the efficiency of audits due to the implementation of bots.

Language for the response to NASBA's request for Legislative Affairs and the Illinois CPA Evolution was discussed. Mr. Dustin, various board members and Ms. Ratchford commented on the responses. The replies to the response are due August 9, 2019. Chairperson Mikuta asked for volunteers to be part of an ad-hoc group (Vice-Chair Petravick, Mr. Whitlock and Mr. Wojcik) in order to generate and submit the replies to the ILBOE Board for submission to NASBA. The ad-hoc group's draft is due to the Board on August 2, 2019.

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

Mr. Green updated the Board on the State of Illinois' Transformational Agenda; graduated income tax, property tax relief, capital infrastructure, a balanced budget, marijuana legalization and gaming and sports betting.

Mr. Green stated that the ICPAS' areas of focus are local government audit, arbitration, local government recapture, Cook County Assessor data reporting and state vendor-contractor monitoring software (spyware).

Mr. Green and the Board discussed several issues including pending vacancies on the Illinois Department of Financial and Professional Regulation's (IDFPR) Board and various open positions as well as CPA license renewal numbers. Also discussed were the newly-inaugurated Chicago Mayor Ms. Lori Lightfoot, the value-added tax (VAT), the American Institute of Certified Public Accountants' (AICPA) Spring Council Hill visits, the political organization of the Illinois' House and Senate, the Pritzker administration's Graduated Income Tax Trajectory (flat rate to graduated rate), the constitutional amendment, approval for ballot question breakdown and the 2020 general election (voter approval breakdown and the 2021 effective date).

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

### **6. Administrative Committee-Mr. Larry Wojcik**

No Report

### **7. Candidacy Committee-Ms. Jeannie Folk**

Ms. Folk gave an overview of the current appeals received.

### **8. Education Advisory Task Force-Dr. Simon Petravick**

Vice-Chair Petravick updated the Board on the fact that the 150 credit hours required to sit for the CPA examination is written into the statute and any change would have to go through the legislature. The current accounting legislation will sunset in 2024.

Vice-Chair Petravick also stated that in regard to first time pass rates, those related to sitting at 150 credit hours are higher than rates related to sitting with 120 credit hours; however, the retakes at 120 are approximately identical for those at 150 in the two groups from which the samples were taken. Mr. Green stated to proceed with caution if contemplating opening up the act because of possible future edits and changes. Chairperson Mikuta, Vice-Chair Petravick and Mr. Green compared neighboring states' data in regards to 120 vs 150.

Vice-Chair Petravick and various board members discussed additional changes to the administrative rules, in particular, the "degree conferred" wording, requirements in general, NASBA Guiding Principles and the UAA.

### **9. Finance Committee- Ms. Sara Mikuta**

Chairperson Mikuta, Ms. Fitzgerald and the Board discussed the current financial statements, minus the forthcoming June 2019 report, and the fiscal year 2020 (FY20) budget in detail.

Ms. Fitzgerald and Mr. Friedewald will provide a guide by the next meeting in order to better understand the NIU finance department's rules and regulations in relation to the ILBOE and the budget.

**ACTION** Mr. Whitlock motioned to approve the FY20 budget. Ms. Folk seconded the motion. Motion passed by unanimous voice vote.

**10. Strategic Planning-Ms. Rhonda Kodjayan**  
No Report

**AICPA/NASBA COMMITTEE REPORTS**

**11. Bylaws Committee-Mr. Thomas Homer**  
No Report

**12. CBT Administration Committee-Mr. Russ Friedewald**  
No Report

**13. Diversity Committee-Ms. Rhonda Kodjayan**  
Ms. Kodjayan discussed the details of the committee's recent call on May 1, 2019, which highlighted the jurisdictions lacking most in diversity in relation to their Board members and the ILBOE's diversity and inclusion webcast with NASBA.

**14. Education Committee-Dr. Simon Petravick**  
No Report

**15. Ethics Committee-Mr. Jim Kelley and Mr. Larry Wojcik**  
Mr. Wojcik and various members discussed potential issues related to firm employees acting as temporary staff for firm clients in order to complete certain tasks.

**16. Professional Ethics Executive Committee- Mr. Larry Wojcik**  
No Report

**17. Regulatory Response Committee-Ms. Sara Mikuta**  
Chairperson Mikuta stated that a United States Securities and Exchange Commission (SEC) proposal response has been submitted.

**ACTION** Executive Session

Board members went into executive session to discuss the details of Mr. Friedewald's cost of living increase. The members came out of executive session and voted to approve the increase.

**18. Unfinished Business-**

No Report.

**19. New Business-**

Mr. Kelley suggested that the ILBOE make the NASBA Candidate Forum on Facebook known to candidates.

Mr. Friedewald recognized Mr. Kent Reeves, Ms. Jeannie Folk and Ms. Sara Mikuta for their service to the Board and the CPA profession. Mr. Friedewald also presented Ms. Mikuta with a gavel plaque in recognition for service to the Board as Chair during fiscal year 2019.

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

**SECOND MEETING- Presentation of Nominees for 2019-2020**

**Call to Order-Second Meeting**

Chairperson Mikuta called the second meeting to order at 1:22 PM.

**1. Presentation of Nominees for 2019-2020 Chair and Vice Chair**

Chairperson Mikuta nominated Dr. Simon Petravick as Chair and Mr. Larry Wojcik as Vice-Chair. No other candidates for Chair or Vice Chair were nominated.

**ACTION 2. Election of the Chair and Vice-Chair**

Mr. Wojcik made a motion to elect Dr. Simon Petravick as Chair and Mr. Whitlock seconded the motion. Dr. Petravick was elected Chair by unanimous voice vote. Mr. Kelley made a motion to elect Mr. Wojcik as Vice-Chair and the motion was seconded by Dr. Petravick. Mr. Wojcik was elected Vice-Chair by unanimous voice vote.

**3. Fiscal Year 2020 Meeting Dates**

The Board members discussed a proposed date for the upcoming Educators Conference in addition to setting the board meetings-October 23<sup>rd</sup>, January 8<sup>th</sup>, April 23<sup>rd</sup> and July 22<sup>nd</sup>.

Chairperson Mikuta adjourned the meeting at 1:40 PM.