

BOARD OF ACCOUNTANCY
Division of Occupational and Professional Licenses
P.O. Box 83720
Boise, ID 83720-0063

Board Meeting Minutes of 7/19/2022

BOARD MEMBERS PRESENT: Jim Bell - Chair
Toni Hackwith
Cynthia Harmon
Larry Hunter
Kevin Oakey
Jason Peery
Michael Armstrong Jr.

DIVISION STAFF: Kent Absec, Licensing Program Manager
John Price, Investigative Unit Manager
Nicholas Krema, General Counsel
Cesley Metcalfe, Board Support Supervisor
Christian Runnalls, Board Support Specialist
Steve Hogue, Investigator
Charlene Nelson, Licensing Specialist

OTHERS PRESENT: Andrea Rosholt, Outside Legal Counsel

The meeting was called to order at 9:02 AM MDT by Jim Bell.

DISCUSSION ON INTERNATIONAL TESTING

The Board discussed whether or not to allow international testing for Idaho applicants. Mr. Absec stated that Idaho is one of the few states that does not allow international CPA testing. He clarified that per the Board's statute, allowing international testing would only apply to an Idaho resident.

Mr. Peery made a motion to approve Idaho candidates to test internationally. It was seconded by Ms. Harmon. Following discussion, the motion carried.

MUTUAL RECOGNITION AGREEMENTS

Mr. Absec explained that NASBA has a MRA with several countries that mutually recognize CPAs. NASBA requests that Idaho approve an agreement between NASBA and Ireland.

Mr. Hunter made a motion that the Board accept the MRA with countries that NASBA currently recognizes. It was seconded by Mr. Armstrong. Following discussion, the motion carried.

DISCUSSION ON WESTERN REGIONAL MEETING

Mr. Absec and the Board discussed the topics from the western regional meeting, including education, scholarships, and internships.

CONTINUING PROFESSIONAL EDUCATION AUDITS

Mr. Absec presented CPE and renewal data to the Board, noting a decrease in active CPAs that reflects the national trend. Mr. Absec reported that there were no issues with the CPE audits.

RENEWAL UPDATE FOR 2022/2023

Mr. Absec provided an update on the current renewal and licensee numbers.

CPA EVOLUTION EXAM UPDATE

Mr. Absec stated that the AICPA is seeking feedback on the exposure draft for the new design of the Uniform CPA Examination. The Board provided guidance on how it would like Mr. Absec to submit feedback. Mr. Absec also explained that the task force approved a credit extension to June 2025 for any candidate with uniform CPE credit.

Mr. Hunter made a motion to accept the CBT Administration Committee and Executive Director Committee recommendations to grant a credit extension to June 2025 to CPA exam candidates who have credits on January 1st, 2024. It was seconded by Ms. Hackwith. Motion Carried.

ANNUAL MEETING ATTENDANCE

Mr. Absec stated that the 115th NASBA meeting will be in San Diego in October.

Ms. Hackwith made a motion to authorize Ms. Harmon, Mr. Peery, and one other Board member to attend the meeting. It was seconded by Mr. Armstrong. Motion Carried.

BOARD MEMBER APPOINTMENTS AND BOARD ELECTIONS

Mr. Absec gave an update on Board member reappointments. Mr. Hunter has applied for reappointment to the Board and Mr. Bell will stay on the Board until a replacement has been appointed.

Mr. Peery made a motion to elect Ms. Harmon as the Board chair, Mr. Oakey as the Vice-chair, and Ms. Hackwith as the Board secretary. It was seconded by Mr. Hunter. Motion carried.

LEGISLATIVE UPDATE

Mr. Absec presented a legislative update. He informed the Board that House Bill 612 and House Bill 629 passed during the 2022 Legislative session.

ZERO-BASED REGULATION

Mr. Absec reviewed the following comments received regarding ZBR: The Idaho Society of CPAs (ISCPA) supports the Board's change of beginning the 18-month testing deadline from the sit date to the score release date; Lyndon Crane stated that no changes should be made to Rule 105.01, asked why Hearings is being removed from 106.02, asked what the Council for Higher Education Accreditation is and what its standards are for school evaluations, asked why 200.01.b.ii is being removed from the State Department of Education purview, stated that the Board should be required to submit complaints to the professional if a complaint is made, asked if the Board will assume responsibility in regards to deleting Rule 408, and asked who will oversee peer review if Rule 511 is deleted; BYU asked about introductory courses, data analytics and IT-related accounting courses, and accrediting bodies; and the College of Idaho asked about introductory courses and data analytics courses. Mr. Absec explained that there is no negative impact to students by no longer accepting introductory courses. After explaining that both schools' programs provide students enough hours to meet the requirements without counting introductory courses, the college representatives were satisfied and supportive of the rules. The Board also discussed the following:

Rule 200 – Initial Certified Public Accountant Licensure:

Mr. Absec and Ms. Harmon clarified what “concentration” means in subsection 01.c.i. After clarifying that concentration refers to a non-accountancy degree with an emphasis on accountancy, the Board decided no changes were necessary to the rule.

At a future meeting, the Board will discuss creating a Policy on how to handle individuals with introductory credits who are in the middle of their academic program.

Rule 202 – Practice Privileges:

The Board changed the title to “Internet Disclosure” and added language to clarify that this rule applies to licensees whose principal place of business is outside of Idaho.

Mr. Peery made a motion to move the rules modified through the ZBR process to proposed. It was seconded by Mr. Oakey. Motion carried.

BUILDING UPDATE

Mr. Absec stated that the Division has moved into its permanent building. He stated that in-person meetings will start in August.

Investigative Report

Mr. Price provided statistics for complaints and investigations.

EXECUTIVE SESSION

Mr. Peery made a motion that the Board enter executive session under Idaho Code § 74-206(1)(d) to consider records that are exempt from disclosure under the Idaho Public Records Law, Idaho Code § 74-106(9). The purpose of the executive session was to discuss documents relating to the fitness of a licensee to retain a license or registration. It was seconded by Ms. Harmon. The vote was: Mr. Bell, aye; Mr. Peery, aye; Ms. Harmon, aye; Mr. Hunter, aye; Ms. Hackwith, aye; Mr. Armstrong, aye; and Mr. Oakey, aye. Motion carried.

Mr. Hunter made a motion to leave executive session. It was seconded by Ms. Hackwith. Motion carried. No decisions were made in executive session.

DISCIPLINE

Mr. Peery made a motion to close case number I-ACC-2022-1 with an advisory letter. It was seconded by Ms. Harmon. Motion carried.

Mr. Peery made a motion to close case number I-ACC-2022-3 with an advisory letter. It was seconded by Ms. Harmon. Motion carried.

Mr. Peery made a motion to close case number I-ACC-2022-4 without action. It was seconded by Ms. Harmon. Motion carried.

APPROVAL OF MINUTES

Mr. Hunter made a motion to approve the minutes of 6/1/2022. It was seconded by Ms. Hackwith. Motion carried.

ADJOURNMENT

Mr. Bell adjourned the meeting at 1:50 PM MDT.