

Minutes of the Illinois Board of Examiners (IBOE) Meeting  
January 20, 2009 10:00 a.m. – 3:00 p.m.  
Illinois CPA Society, 550 W Jackson, Training Room  
Chicago, IL

**Present:**

Board Members: Margaret Cartier, Gary Fish, Claireen Herting, Kenneth Hull, Myra Swick, Cheryl Wilson, Richard York, Penelope Yunker

Staff:

Executive Director: Russ Friedewald (incoming), Joanne Vician (outgoing)

Assistant Director: Vicki Van Uithoven

**Absent:** None

- 1. Ms. Herting called the meeting to order at 10:02 a.m.** Ms. Swick moved, seconded by Ms. Cartier to accept the October 17, 2008 minutes as written. The motion carried unanimously by a voice vote. Additions to agenda: The board will go into Executive Session at close of meeting to discuss a personnel matter; Ms. Vician will discuss “NASBA U” during her report.  
Ms. Herting extended a welcome to Russ Friedewald who was attending his first board meeting.

- 2. Report of the chair (C. Herting)**

Ms. Herting discussed the NASBA Board of Directors’ meeting held the prior week. There was considerable discussion at that meeting about the NASBA discussion paper re: 120 vs. 150 hours to test. Per David Costello, CEO of NASBA, the paper was meant to stimulate discussion, not to endorse a particular position. The NASBA Board approved the 120-150 discussion paper as it stands.

The IBOE will let our written response submitted October 2008 speak to our position. It was agreed, however, that the IBOE would feel more comfortable if the discussion paper had gone through NASBA’s CLEC and Education Committees before release to the public.

Negotiations on the new CBT three-party agreement/contract have begun. The NASBA Enforcement Committee has expanded, partly in response to mobility legislation that has passed recently in many states.

- 3. Report of the Executive Director (J. Vician)**

Ms. Vician presented the Illinois CPA Exam Score Report for candidates who tested in the October-November 2008 testing window. 3,636 exam sections were taken by 2,527 candidates. Of those testing 480 candidates passed all parts and 189 candidates who passed all parts also completed the required ethics course/exam. The board discussed if a reminder should be sent to those candidates who have passed the CPA exam but not the ethics requirement. The consensus is to not send reminders because the staff currently doesn’t send reminders to other groups/classes of candidates, such as the provisionally approved. Ms. Vician will obtain the number of candidates who have passed without ethics and circulate to the board.

Dr. Yunker moved, seconded by Mr. York, to accept the 2008 October-November CPA examination score results as presented. The motion carried unanimously by a voice vote and board members each signed the Board score acceptance letter.

Ms. Vician reviewed the board meeting follow-up items and progress on each. Getting closure on the Memorandum of Understanding is critical.

Ms. Vician has contacted the Illinois Office of the Comptroller (IOC) for a state agency number. No response received to date. Mr. Friedewald will assume that task going forward.

Mr. Friedewald and Ms. Vician will attend a two-day orientation session in Nashville for new Executive Directors, January 27-28, 2009 called "NASBA University".

Upcoming CPA presentations: University of Illinois-Urbana, January 20; Illinois State University, February 5; McKendree University, February 9; Bradley University, February 10 and Millikin University, February 16.

### **IBOE Committee and Task Force Reports**

#### **4. Administrative Committee (K. Hull)**

Mr. Hull discussed the committee review process and summarized the recommended changes of the IBOE rules pertaining to the education requirement. The committee added sections on definitions, foreign credentials evaluation, and accreditation. They adopted some recommendations found in the revised UAA Rules 5-1 and 5-2 relative to research, communications and ethics.

The board provided input on integrated vs. stand-alone courses in research and analysis, communication and ethics; suggested new wording relative to the 6 semester hours of accounting principles being excluded from the 30 semester hours required; discussed whether hours above the 120/bachelor's degree be upper-division only; considered requiring completion of the ethics before qualifying to test.

Mr. Hull will make final modifications and invite any other suggestions. The proposed changes will be discussed at the March meeting of the Education Advisory Task Force.

#### **5. Candidacy Committee (P. Yunker)**

Ms. Vician is to provide a summary of provisional problem cases and appeals to the Candidacy Committee as soon as possible.

Board members were reminded about making Prometric site visits.

#### **6. Education Advisory Task Force (P. Yunker)**

The meeting is scheduled for March 6, 2009 at the Alumni Center of Illinois State University in Normal. Email invitations will go out by early February with the packets of information to follow.

#### **7. Finance (M. Swick)**

Ms. Swick reviewed the financial statements. The 6-month statement shows revenue is on target with budget.

#### **8. Infrastructure (M. Swick)**

The Fiscal Control and Internal Auditing Act (FCIAA) certification will be filed with the office of the Auditor General for FY08 in late January by Mr. Friedewald. The FY09 certification is due May 1, 2009.

The Request for Proposal (RFP) for an outside audit has been drafted by the University Purchasing Department based on specifications drafted by the Infrastructure Committee and

submitted by Ms. Van Uithoven. Dr. Yunker moved, seconded by Mr. Hull, to approve the RFP, which will then be posted on the state procurement site for a two-week period. Questions can be directed to the purchasing agent or Ms. Van Uithoven.

**9. Nominating (C. Wilson)**

Ms. Vician intends to have the committee packets ready by the end of January 2009. She will also issue letters of interest to current board members. Ms. Wilson asked the board for suggested names for public members.

**10. State Liaison (M. Cartier)**

The Committee is reviewing the next set of Focus Questions, most of which need a response from the Department of Financial and Professional Regulation.

**11. Strategic Planning (G. Fish)**

Dr. Fish will review the strategic plan with Mr. Friedewald. Dr. Fish mentioned the July 1, 2010 change in the Illinois Public Accounting Act that will require all new CPAs to be licensed as Public Accountants. The Board will watch what direction the State might take relative to accountancy governance if the governor is impeached. Mr. Friedewald will discuss with Gary Clayton the process the Division of Real Estate went through to separate from the Division of Professional Regulation a number of years ago.

**NASBA/AICPA Committee/Task Force Reports**

**12. Audit (K. Hull)**

No report.

**13. Bylaws (C. Herting, M. Swick)**

No report.

**14. Education (P. Yunker)**

A conference call is scheduled for early February.

**15. Internationalization of the CPA exam (G. Fish)**

The next meeting is scheduled in March. A business plan is being developed by the AICPA.

**16. Model Board (M. Cartier)**

No report.

**17. Relations with Member Boards (C. Herting)**

Topics discussed by Regional Directors and NASBA Board of Directors:  
120 hours vs 150 hours to test; NASBA Accounting Licensing Database (ALD); Mobility;  
IFRS; Enforcement standards.

**18. AICPA State Board Committee (SBC) (J. Vician)**

No report.

**Unfinished Business**

**19. UI Memorandum of Understanding**

Mr. Friedewald will work with legal counsel and the Vice Chancellor for Student Affairs to bring closure to this long-standing issue.

**20. NASBA 120-150 Discussion Paper (G. Fish)**

This topic was covered in Ms. Herting's report (agenda item 2).

**21. CLEAR Conference reports (J. Vician, G. Fish)**

Dr. Fish covered the key topics of the CLEAR conference in September.

**New Business**

**22. Board State Ethics Requirement (R. Friedewald)**

Board members are to read the mandatory ethics documents distributed by Mr. Friedewald (Ethics Officer) and sign a certification. Due date: February 20, 2009.

**23. NASBA 2009-2010 Vice Chair Nomination (C. Herting)**

Ohio has nominated Ted Long for 2009-2010 Vice Chair. Nominations are due February 26, 2009. The Board will defer a recommendation until additional names are put forth and circulated to the board. Mr. Friedewald will send biographical information to the board for Leonard Sanchez, Ted Long, Gaylen Hansen and Mark Harris. A decision will then be made about a possible recommendation.

Dr. Fish moved, seconded by Dr. Yunker to go into Executive Session to discuss a personnel matter.

Dr. Fish moved, seconded by Dr. Yunker to come out of Executive Session.  
No action was taken in Executive Session

The meeting was adjourned at 2:35 p.m.

Submitted by Joanne Vician, Executive Director