

THE MINNESOTA BOARD OF ACCOUNTANCY

BOARD MEMORANDUM

December 5, 2014

TO: All Board Members
Christopher Kaisershot, Assistant Attorney General

FROM: Greg Steiner, CPA, Board Chair

SUBJECT: **DECEMBER 5, 2014, BOARD MEETING MINUTES**
9:15 AM
GOLDEN RULE BUILDING, Suite 295 (2nd floor)

The Board held its regularly scheduled monthly meeting on the above-mentioned date, time and location.

- 1) **CALL TO ORDER**
Attendance:
Robert Saunders, CPA, Board Chair
Kristine S. Eustice, Public Member
Sharon Jensen, CPA
Thomas Lydon, CPA (**Absent**)
Kathleen Mooney, CPA
Mark Sellner, CPA
Gregory Steiner, CPA
Scott Van Binsbergen, Public Member
Michael M. Vekich, CPA

OTHERS:

Doreen Frost, Executive Director
Christopher Kaisershot, Assistant Attorney General
Michele Owen, Assistant Attorney General
Bev Carey, Investigator
Laurie Nistl, Board Staff
Holly Salmela, Board Staff

GUESTS:

Geno Fragnito, Minnesota Society of Certified Public Accountants
Eric Ewald, Minnesota Association of Public Accountants

- 2) **APPROVAL OF THE OCTOBER 20, 2014 BOARD MEETING MINUTES**
A) **MSP: to approve the October 20, 2014 meeting minutes.**

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- 3) COMPLAINT COMMITTEE REPORT (Michael M. Vekich, Committee Chair)
The Complaint Committee requests a closed session to deal with disciplinary matters.
- A) **MSP: To close session to address enforcement actions under Minnesota Statutes 214 (2012).**
- B) **MSP: To reopen the meeting.** The Board issued the following Orders:
- 1) In the Matter of Ryan, Hodgins & Associates, PA; Firm Permit No. 00392, the Board issued a Stipulation and Consent Order.
 - 2) In the Matter of Thomas P. Jones, LTD.; Firm Permit No. F1796, the Board issued a Stipulation and Consent Order.
 - 3) In the Matter of Jason P. McPhail; Certificate No. 19592, the Board issued a Stipulation and Consent Order and Order to Reinstate.
 - 4) In the Matter of Catherine Mary Szyman; Certificate No. 11915, the Board issued a Stipulation and Consent Order and Order to Reinstate.
 - 5) In the Matter of Jay Charles Johnson, Certificate No. 08374, the Board issued a Findings of Fact, Conclusions of Law and Order.
- 4) EXECUTIVE COMMITTEE REPORT (Robert P. Saunders, Board Chair)
- A) Rob Saunders and Doreen Frost spoke at the Minnesota Association of Public Accountants, regarding the peer review process, NANO Learning and other issues.
- 5) EXECUTIVE DIRECTOR'S REPORT (Doreen Frost, Executive Director)
- A) Budget and Revenue Reports – Discussed.
- B) Staffing Update –
- In the hiring process for the Communications position.
 - Kudos to Board of Accountancy staff person, Holly Salmela, for her excellent work.
- C) NASBA Accountancy Licensing Database (ALD) and CPA Verify – Discussed.
- D) Open Appointments update – Discussed.
- E) Renewals - Discussed. **(See ATTACH. 5E)**
- 6) EXAMINATION & CREDENTIALING COMMITTEE MEETING REPORT (Kathleen K. Mooney, Committee Chair)
- A) Approved the applications of 57 Minnesota candidates, nine transfer candidates, and eight reciprocal candidates. Approved one petition for waiver from Board of Accountancy Rules and denied one petition for waiver from Board of Accountancy Rules.
- MP: To Approve and Adopt Committee recommendations.**
- 7) CONTINUING PROFESSIONAL EDUCATION COMMITTEE REPORT (Kristine S. Eustice, Committee Chair)
- A) Approved one petition for waiver from Board of Accountancy Rules
- B) Denied three petitions for waiver from Board of Accountancy Rules.

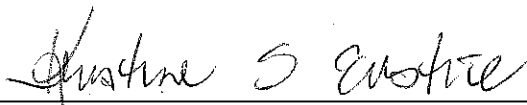
- C) Letter concerning CPE late fees – discussed.
 - D) **MSP: To Approve and Adopt Committee recommendations.**
- 8) **LEGISLATIVE AND RULES COMMITTEE REPORT**
(Michael M. Vekich, Committee Chair)
- A) Expedited and Temporary Licensing for the Military – Discussed.
MP: To Authorize the Executive Director to enter into an Interagency agreement for Rule Writing for the Expedited and Temporary Licensing of the Military.
 - B) Compensation for QROC members - for possible inclusion in the next Rules package – Discussed.
 - C) Possible Rule changes for Firm Permit Renewal – Discussed, no action taken.
 - D) Minnesota Statute Changes for Attest Definition – Discussed.
MP: To authorize Statute Changes for Attest Definition.
 - E) Nano-Learning Program included in the next Rule package – Discussed.
 - F) Authorization to increase civil penalty fines from \$2,000.00 to \$5,000.00 per infraction – Discussed possible changes in Statute.
MP: To authorize an increase of civil penalty fines from \$2,000.00 to \$5,000.00 per infraction.
 - G) **MSP: To Approve and Adopt Committee recommendations.**
- 9) **FIRM CREDENTIALING COMMITTEE REPORT**
(Mark Sellner, Committee Chair)
- A) Approved 12 Minnesota firm permits.
 - B) Approved eight foreign firm permits.
 - C) Approved one RAP firm permit.
 - D) Approved five firm name change requests and one was referred to staff for additional information.
 - E) Accepted 33 quality review reports with a pass rating.
 - F) One quality review report with other ratings was accepted; one was referred to staff.
 - G) Minnesota Rule 1105.4150 – discussed.
 - H) **MSP: To Approve and Adopt Committee recommendations.**
- 10) **QUALITY REVIEW OVERSIGHT COMMITTEE REPORT**
(Mark Sellner, Committee Chair)
- A) The annual committee report will be submitted later this month.
 - B) **MSP: To Approve and Adopt the Committee report.**
- 11) **UNFINISHED BUSINESS**
- A) AICPA Workshop Report: UAA Attest definition and Firm Mobility – Board members can make comments on-line.
- 12) **NEW BUSINESS**
- A) New Licenses Report. **MSP: To Approve and Adopt the report.**

- B) NASBA Annual Meeting Report by R. Saunders, K. Eustice, S. Jensen, and D. Frost.
- C) 2014 NASBA Focus Questions – Discussed.
- D) AICPA Peer Review Board approved Exposure Drafts:
 - i) Preparation Services – Discussed.
 - ii) Peer Reviewer Performance – Discussed.
- E) AICPA Invitation to Comment – Discussed.
- F) Minnesota Statute Changes for Attest Definition – previously discussed in the Legislative and Rules Committee report.
- G) FY16-17 Departmental Earnings **(FYI) (ATTACH. 12G)**
- H) Enforcement Statistics July 1, 2011 to Present **(FYI) (ATTACH. 12H)**
- I) Election of Board officers:
 - Nominations for 2015 Executive Committee were:
 - Gregory S. Steiner for Chair
 - Sharon A. Jensen for Vice Chair
 - Kristine S. Eustice for Secretary/Treasurer
 - Election:
 - Gregory S. Steiner was elected Chair by acclimation.
 - Sharon A. Jensen was elected Vice Chair by acclimation.
 - Kristine S. Eustice was elected Secretary/Treasurer by acclimation.

13) PUBLIC COMMENT

- A) None.

14) ADJOURNED: 10:35 a.m. Next meeting is Friday, January 16, 2015.



Kristine S. Eustice
Secretary/Treasurer