



THE MINNESOTA BOARD OF ACCOUNTANCY

**BOARD MEMORANDUM**

December 8, 2016

TO: All Board Members  
Christopher Kaisershot, Assistant Attorney General

FROM: Gregory S. Steiner, CPA, Board Chair

SUBJECT: **December 8, 2016, BOARD MEETING MINUTES**  
9:05 AM  
GOLDEN RULE BUILDING, Suite 295 (2<sup>nd</sup> floor)

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

- 1) CALL TO ORDER
- Attendance:
- Gregory S. Steiner, CPA, Board Chair
  - Sharon A. Jensen, CPA
  - Christopher Omdahl, CPA
  - Lance Radziej, CPA
  - Charles Selcer, CPA
  - Debra Thompson, CPA - Absent
  - Scott Van Binsbergen, Public Member
  - Michael M. Vekich, CPA
  - Alan J. Wilensky, Public Member

OTHERS:

- Doreen Frost, Executive Director
- Christopher Kaisershot, Assistant Attorney General
- Sara Datko, Complaint Specialist
- Emma Hoche-Mathews, Complaint Specialist
- Kay Weiss, Communications Specialist

GUESTS:

- Linda Wedul, Minnesota Society of Certified Public Accountants (MNCPA)
- Bryan Mowry, Minnesota Association of Public Accountants (MAPA)

- 2) APPROVAL OF THE NOVEMBER 14, 2016, BOARD MEETING MINUTES
  - A) **MSP: To Approve the November 14, 2016, meeting minutes.**
- 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 (2016).**
  - B) **MSP: To Reopen the meeting.** The Board issued the following Orders:
    - 1) In the Matter of Salman Zafar Faridi, the Board issued a Stipulation and Consent Order and Order to Reinstate.
    - 2) In the Matter of Paul Charles Griebel, the Board issued a Stipulation and Consent Order and Order to Reinstate.
    - 3) In the Matter of Steven Robert Johnson, the Board issued a Stipulation and Consent Order and Order to Reinstate.**MP: To Approve and Adopt committee recommendations.**
- 4) EXECUTIVE COMMITTEE REPORT (Gregory S. Steiner, Board Chair)
  - A) The Executive Committee will meet following the Board meeting.
- 5) EXECUTIVE DIRECTOR'S REPORT (Doreen Frost, Executive Director)
  - A) Budget and Revenue Reports – Discussed.
  - B) CPA Renewal Report for 2016. As of today, approximately 53% of individual CPA renewals are completed. 47% of RAPs, 42% of CPA firms, 47% of sole proprietors, and 33% of RAP firms are also renewed.
  - C) 2018 Biennial Budget (**Attach. 5C**) – FYI.
- 6) EXAMINATION & CREDENTIALING COMMITTEE MEETING REPORT (Charles Selcer, Committee Chair)
  - A) Approved the applications of 42 Minnesota candidates, 3 transfer candidates, 3 reciprocal candidates, and 1 RAP candidate. Granted 1 extension of a CPA exam credit.**MP: To Approve and Adopt Committee recommendations.**
- 7) CONTINUING PROFESSIONAL EDUCATION COMMITTEE REPORT (Mike Vekich reporting)
  - A) Approved 9 petitions for waiver and denied 23.**MP: To Approve and Adopt Committee recommendations.**
- 8) FIRM CREDENTIALING COMMITTEE REPORT (Sharon Jensen, Committee Chair)
  - A) Approved 5 Minnesota CPA firm permits.
  - B) Approved 6 foreign CPA firm permits.
  - C) Approved 1 RAP firm permit.
  - D) Approved 2 name change requests.
  - E) Accepted 14 peer reviews.**MP: To Approve and Adopt Committee recommendations.**

9) UNFINISHED BUSINESS

- A) Rules. The Rules Coordinator presented a revised draft of proposed Rule changes for discussion.

10) NEW BUSINESS

- A) NASBA Experience Verification. Discussed the nature of the service and if the Board wishes to make use of it. The matter has been assigned to the Examination and Credentialing Committee for study.

- B) New Licensees Report.

**MSP: To approve New Licenses Report.**

- C) NASBA Executive Director and Board Staff Annual Meeting, March 14-16. Authorization for attendance requested.

**MSP: To authorize the attendance of one staff member.**

- D) Election of Board officers.

Nominations for 2017 Executive Committee were:

- Gregory Steiner for Chair
- Sharon Jensen and Alan Wilensky (withdrew) for Vice Chair
- Michael Vekich and Alan Wilensky (withdrew) for Secretary/Treasurer

Election:


- Gregory Steiner was elected Chair by acclamation.
- Sharon Jensen was elected Vice Chair by acclamation.
- Michael Vekich was elected Secretary/Treasurer by acclamation.

11) PUBLIC COMMENT

- A) None.

12) ADJOURNED: 9:55 a.m.

**Next meeting is Thursday, January 19, 2017, at 9:00 am.**



Michael M. Vekich, Secretary/Treasurer



**AT A GLANCE**

In FY 2015-2016, the Board:

- Issued 18,350 individual licenses
- Issued 2,003 firm permits
- Issued 1,486 sole proprietor firm permits
- Evaluated 1,057 applications for individual licensure
- Investigated 773 new complaints
- Revoked 482 certificates for failure to renew

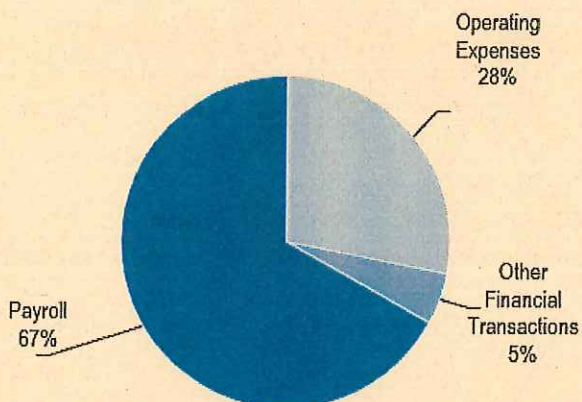
**PURPOSE**

The mission of the Board of Accountancy is to protect the public through the regulation of the practice of accounting by Certified Public Accountants, Registered Accounting Practitioners and others in Minnesota. We ensure that those entering the practice meet standards of competency by way of education, experience and examination. We establish standards of practice and require that anyone practicing or offering to practice accounting be certified or registered and continue to maintain their professional competence. We enforce the laws, rules and standards governing the practice of accounting in a fair, expeditious and consistent manner. The Board contributes to the statewide outcomes of:

- Strong and stable families and communities;
- Efficient and accountable government services; and
- A thriving economy that encourages business growth and employment opportunities.

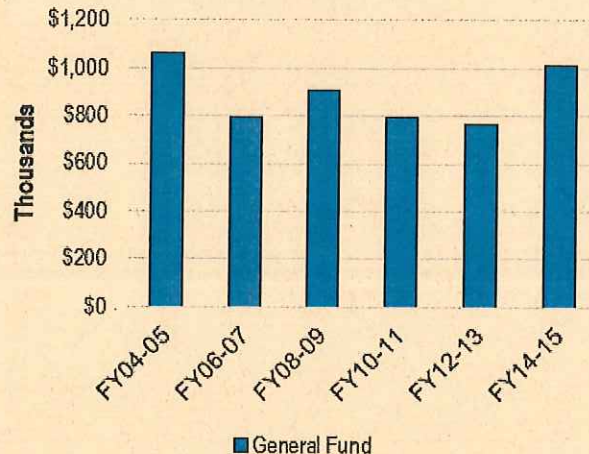
**BUDGET**

**Spending by Category  
FY 15 Actual**



Source: BPAS

**Historical Spending**



Source: Consolidated Fund Statement

The Board has a total biennial budget of approximately \$1,013,000. We collect application and licensure fees which are deposited in the State's general fund. The budget is funded through general fund appropriations.

**STRATEGIES**

To accomplish its mission, the Board uses the following strategies:

1. **Regulatory** – Collaboration with the National Council on consistent standards for examination, licensure and enforcement. Evaluating applications to ensure that those entering professional practice have completed the required education, examination and experience.



2. **Enforcement** – Investigating complaints and taking action against licensees and unlicensed individuals who violate the Board's statutes and rules. Removing individuals from practice when necessary. Exchanging enforcement data across jurisdictions. Providing public access to license status, discipline history and the complaint process. Ensuring that the Board's statutes and rules are up-to-date and understandable.
3. **Outreach and Education** – Providing information to Minnesota citizens, legislators, other state agencies, schools, professional societies and the national council about the value of licensure and the requirements of competent practice.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percentage of licenses renewed online	93%	90%	FY13/14 & FY 15/16
Quality	Average days to licensure (individuals)	19	18	FY13/14 & FY 15/16
Quality	Average days to licensure (firms)	26	26	FY13/14 & FY 15/16
Quality	Average days to resolve a complaint	106	93	FY13/14 & FY 15/16

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The Board of Accountancy's legal authority comes from M.S. § 214.01 (<https://www.revisor.mn.gov/statutes/?id=214.01>) and M.S. § 326A (<https://www.revisor.mn.gov/statutes/?id=326A>).

(Dollars in Thousands)

**Expenditures By Fund**

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base	
					FY18	FY19
1000 - General	477	536	568	712	641	641
<b>Total</b>	<b>477</b>	<b>536</b>	<b>568</b>	<b>712</b>	<b>641</b>	<b>641</b>
Biennial Change				267		2
Biennial % Change				26		0

**Expenditures by Program**

Program: Accountancy	477	536	568	712	641	641
<b>Total</b>	<b>477</b>	<b>536</b>	<b>568</b>	<b>712</b>	<b>641</b>	<b>641</b>

**Expenditures by Category**

Compensation	340	357	365	400	400	400
Operating Expenses	129	163	190	307	236	236
Other Financial Transactions	7	14	14	5	5	5
Capital Outlay-Real Property	1	1				
<b>Total</b>	<b>477</b>	<b>536</b>	<b>568</b>	<b>712</b>	<b>641</b>	<b>641</b>

<b><u>Full-Time Equivalents</u></b>	<b>5.4</b>	<b>5.3</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>
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