



OREGON BOARD OF ACCOUNTANCY

Board of Accountancy Special Board Meeting

September 30, 2015

Present:

Larry Brown, CPA, Chair
Scott Wright, CPA, Vice-Chair
John Lauseng, CPA, Treasurer
Roger Graham, Public Member
Al Crackenberg, PA
Candi Fronk, CPA
Lynn Kingston, CPA

Martin Pittioni, Executive Director
Kimberly Fast, Licensing Manager
Susan Bischoff, Board Counsel

Guests:

Sherri McPherson, OSCPA
Jay Richardson, OSCPA

1. Introductions of Committee Members and Call to Order

Chair Brown called the meeting to order at 9:00 a.m. and announced the meeting was being recorded. This meeting was held by conference call and roll call was taken.

2. Old Business

Chair Brown noted that the members of the Board had received a copy of all written comments submitted in relation to the Notice of Proposed Rule Amendment. There were very few comments received and therefore a full copy of each comment was given to members for their review. There was no public participation or comment at the Administrative Rule Hearing held on September 17, 2015.

Mr. Pittioni received notice from the Department of Administrative Services (DAS) earlier in the week that the fee portion of the proposed rules will most likely result in a legislative fee bill to ratify those fees in the 2016 special session.

Mr. Wright noted that the proposed fee increase, while significant, allows the Board to continue protect the public. All fees were jointly worked on with the OSCPA and other stakeholders and were also compared to other state boards for comparison.

Mr. Lauseng discussed one comment received regarding the definition of attest. The person commenting was concerned that the change would open up the definition of attest and would include internal auditors. The Board interpretation of this definition does not include internal auditors. The commenter was also concerned that the board included international standards in the rule definition which is not included in the statutory definition. The Board discussed that the

inclusion of international standards was done in a previous rulemaking process and that it is within the Board's authority to include.

The Board agreed to update the proposed rule document that includes explanations and reiterate that it is not the Boards intent for the definition of attest to include internal auditors.

The Board had no further discussion on the proposed rule amendments.

BOARD ACTION: Moved by Mr. Wright and carried to adopt the rules as proposed with an effective date of October 1, 2015.

VOTE: 7 ayes.

3. New Business

A. Consideration of NASBA Proposed Bylaws Changes

NASBA has distributed the proposed changes to their bylaws to state Boards of Accountancy for review and comment. There is nothing in the proposal that is particularly controversial. Mr. Lauseng will be attending the NASBA Regional meeting and the Board agreed to direct Mr. Lauseng to vote to approve the proposed changes.

B. Personnel Update from the Executive Director

Mr. Pittioni reported that there has been a lot going on at the Board office since the August meeting. In August, Joshua Huff was separated from trial service and the recruitment for a 2nd investigator was reinstated.

In addition, Bethany Reeves accepted a promotion with the Board of Tax Practitioners and recruiting for her position at the current classification level was met with resistance from DAS HR which wanted to downgrade the position classification. There was a lot of work done and in the end the position remained at its current classification level. Joel Parks, a licensing specialist at the Board office applied for the position through an agency-internal recruitment process and has been hired to fill the compliance specialist position previously held by Bethany Reeves.

The promotion of Mr. Parks created a 2nd vacancy in the licensing department. Kristen Adamson, licensing specialist is relocating to Georgia. Because Ms. Adamson gave the Board plenty of notice the recruitment for her position as already taken place and Julie Nadeau will begin September 23, 2015. A decision was made to not select a second candidate out of that recruitment to fill the 2nd licensing position and a new recruitment will post in about a week.

Mr. Pittioni has negotiated with Ms. Adamson to extend her work for the Board by working remotely through November, with focus mainly on the post renewal CPE audit and continuation of the training of Ms. Nadeau.

C. Proposed Settlement – Jerald W. Olsen / Case #13-036

Ms. Bischoff reported that pursuant to the Board’s directive, settlement negotiations began with Mr. Olsen’s counsel. When the settlement was almost completed, Mr. Olsen fired his attorney. Mr. Olsen then retained another attorney and a settlement was finally signed last week. The settlement presented to the Board is a great outcome for this case. Rather than the previous settlement draft which was a stipulated order of revocation this second draft proposes that the Board and Respondent agreed to a Stipulated Order of Resignation in lieu of Revocation.

The proposed settlement calls for \$30,000 in penalties of which \$25,000 would be suspended pending compliance with the settlement. The remaining \$5,000 would be due within 30-days from signing. If Mr. Olsen violates any part of this order the balance of \$25,000 would come due plus an additional \$2000 in Board costs.

BOARD ACTION: Moved by Mr. Wright and carried to approve and accept the proposed Stipulated Order of Resignation in Lieu of Revocation for Jerald W. Olsen, Case #13-036.

VOTE: 7 ayes.

4. ADJOURNMENT

Mr. Brown adjourned the meeting at 9:38 a.m. The next meeting will be held on October 19, 2015 at the Board office.

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