OREGON BOARD OF ACCOUNTANCY

Qualifications Committee

Minutes, July 24, 2013

3218 Pringle Rd SE #110
Salem, OR 97302 Telephone Conference Call 503-378-4181

The Board of Accountancy protects the public by regulating the practice and performance of all services provided by licensed accountants.

Committee Members Present:
Patrick Brown, CPA
Michael Halbirt, CPA (9:10 a.m.)
Charles Landers, CPA
David Peterson, CPA
Rachelle Quinn, CPA
Denise Teixeira, CPA
Bryce Wilberger, CPA
Susan Wolcott, CPA

Board Liaison:
Roberta Newhouse, CPA

Staff:
Martin Pittioni, *Executive Director*
Kimberly Fast, *Program Coordinator*
Kristen Adamson, *Licensing Assistant*

Excused:
Alan Steiger, CPA
Roger Graham, *Public member*

Guests:
David Hoopes, Supervisor Licensee for Zach Brumbelow

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1. CALL TO ORDER

The Qualifications Committee convened for a regularly scheduled meeting on July 24, 2013 by telephone conference. Susan Wolcott, CPA, Committee Chair, called the meeting to order at 9:02 a.m. This meeting was recorded.

5. PENDING APPLICATIONS

B. Deferred Cases

1. Zachary P. Brumbelow/Wilberger

Mr. Brumbelow's application was reviewed at the April 25, 2013 Qualifications committee meeting. The committee was concerned then that the experience obtained by the applicant was narrow and would like specific examples of how the applicant achieved competency in "B", Assessing the achievement of an entity's objectives, competency "D", Understanding transaction streams and information systems and competency "F", Decision making, problem solving, and critical thinking in the context of analysis.

Mr. Brumbelow works primarily in litigation support, calculating investment profit and loss and interacting with accounting systems to include the calculation of economic damages.

Mr. Hoopes, the supervisor licensee joined the meeting at 9:02 to support Mr. Brumbelow's application and be available for any questions from the committee.

Mr. Wilberger, the reviewer of the case, stated that he spoke with both Mr. Hoopes and Mr. Brumbelow over the phone and requested additional information which was provided and given to committee members. The additional information resolved his concerns and he believes the applicant should be approved.

COMMITTEE RECOMMENDATION: Moved by Mr. Wilberger that there is sufficient evidence to make a preliminary finding that the applicant has met the minimum qualifications for initial licensing.

Discussion: Mr. Halbirt joined the call and stated that he does not believe that the risk assessment competency has been met. Mr. Hoopes responded that Mr. Brumbelow deals with risk assessment on a daily basis. As part of his job as a litigation analyst, he is continuously analyzing risk, obtaining a full understanding of all aspects of the entities accounting records, revenue reports, broker reports and concluding on the facts as to the risk of the entity in a litigation case.

Mr. Hoopes' background is in public accounting and stated that the type of risk is similar to an audit risk analysis, however, the risk in this arena must be so exact that an email cannot be sent until it is double checked, they are under extensive scrutiny since all work is subject to discovery. Mr. Halbirt stated that although Mr. Brumbelow may be qualified for litigation support, he did not feel that the risk was sufficient for a CPA qualification. Mr. Hoopes responded that according to Board instructions there are three ways to be certified, and not all experience needs to be obtained under the audit standards. He stated that the work performed by Mr. Brumbelow is even more stringent than an audit. Mr. Wilberger stated that the applicant is reviewing the risk to the client, risk to the company he works for and analyzing the risk in the accounting systems. The direction of the case is based on that risk assessment.

VOTE: Aye: Wilberger, Peterson, Landers and Teixeria; Nay: Halbirt, Wolcott, Brown and Quinn. 1 absent (Steiger) The vote was split and the application will go forward to the Board with no recommendation.

2. REVIEW OF MINUTES

A. April 25, 2013

The minutes were presented and corrections made on regarding the spelling of committee member Dave Peterson and applicant Heather Robison and correction on the committee member assignment of an application.

COMMITTEE RECOMMENDATION: Moved by Mr. Landers and carried to approve the minutes with the noted corrections.
VOTE: 8 ayes, 1 absent (Steiger)

B. May 3, 2013

The minutes were presented and it was noted that Mr. Peterson's name was misspelled, the meeting was a conference call rather than an in-person meeting at the Board office and the date was incorrect. Committee members asked staff to review the ending time to ensure it was correct.

COMMITTEE RECOMMENDATION: Moved by Mr. Halbirt and carried to approve the minutes with noted corrections.
VOTE: 8 ayes, 1 absent (Steiger)

3. REPORT OF BOARD ACTION

Ms. Newhouse attended the meeting in place of Mr. Graham who is currently on vacation. Ms. Newhouse stated that the Board has had two meetings since the last Qualifications committee meeting. The Board agreed with committee recommendations, however, with Heather Robison, the Board took no action and sent back to the committee for review of the additional information received. The Board also discussed the different paths available to applicants and how are they are very different in the material that must be submitted to support the application.

4. OLD BUSINESS

A. Lithia Motors Proposed Certification Plan

Lithia Motors Incorporated submitted a proposed program for applicants seeking licensure under the industry standards. The Committee was pleased with the program and only had minor suggestions. Rather than the program title "CPA Certification Program" the committee would prefer "CPA Qualification Program". In addition, clarification that if there is more than one mentor that each mentor would need to provide a description of how a competency has been met and sign off on the application. The material submitted stated that the work week is 30 hours. Since Board rules state an applicant must work at a 40-hour work week, the program language should be changed to address the work week hours and clarify the applicant is receiving the hours required.

COMMITTEE RECOMMENDATION: Moved by Mr. Halbirt and carried to approve the proposed program with the additional comments addressed with Lithia and incorporated into the documents.
VOTE: 8 ayes, 1 absent (Steiger)

5. PENDING APPLICATIONS

A. Current Applications

1. David Morgan Teirney (Brown)

Mr. Teirney passed the Uniform CPA examination in December 2012 as an Oregon candidate. Experience was gained at the following employer:

Western Union	20.5 months	All competencies

The information provided with the application was brief and the reviewer was unable to reach a decision on the overall competency of the applicant. Additional information as received and reviewed

which was much more informative and covered the necessary documentation of the applicant's experience. Other committee members did not receive the supplemental information and therefore did not feel comfortable making a recommendation.

COMMITTEE RECOMMENDATION: Moved by Mr. Halbirt and carried to defer the application so that all committee members have ample time to review the supplemental information provided by the supervisor licensee.
VOTE: 8 ayes, 1 absent (Steiger)

2. Casey Michael Chapman (Teixeira)

Mr. Chapman passed the Uniform CPA examination in November 2011 as an Oregon candidate. Experience was gained while employed at the following employer:

Evraz NA	17.5 moths	All competencies

Mr. Chapman is an accounting manager of the Evraz Recycling product group and managed a team of four accountants. Ms. Teixeria reviewed the documents and found that the documentation provided demonstrated the applicant has achieved competency in the 7 areas. The committee had no further discussion.

COMMITTEE RECOMMENDATION: Moved by Ms. Teixeira and carried to find that there is <u>sufficient</u> evidence to find that Casey Michael Chapman has demonstrated the competencies necessary for licensure.
VOTE: 8 ayes, 1 absent (Steiger)

B. Deferred Applications

2. Susan Jin Han (Steiger)

Ms. Han's application was considered at the April 25, 2013 Qualifications committee meeting. The committee at that time felt the one-page write up submitted by the supervisor licensee was not sufficient to determine competency. The committee was also concerned that the work papers provided for audit included missed or overlooked steps that should be completed. Board staff was asked to send a letter requesting specific examples for competencies E: Risk assessment and verification skills; F: Decision making, problem solving and critical thinking in the context of analysis, and; G: Quality of communications expressing scope of work, findings and conclusions. The additional information was received and reviewed. The write-up did not convince the committee that the applicant had met the competencies. There were several instances in the write-up that made the work performed by the applicant seem as though it was a team effort rather than something she would be able to perform on her own.

COMMITTEE RECOMMENDATION: Moved by Ms. Teixeria and carried to find that there is <u>insufficient</u> evidence to make a preliminary finding that Ms. Han is qualified for a CPA license.
VOTE: 8 ayes, 1 absent (Steiger)

3. Trisha Magallon (Teixeria)

The committee reviewed the applicant's file at the Qualifications committee meeting held on April 25, 2013. The write-up submitted did not provide specific examples of how the applicant achieved competency C, D, E or G. Additional information was requested and received and sufficiently documented that the applicant had achieved competency in all but E, risk assessment and verification skills. The examples for risk assessment led the committee to believe that the risk as found by others and she simply mitigated those risks.

COMMITTEE RECOMMENDATION: Moved by Ms. Teixeria and carried to find that there is insufficient evidence to make a preliminary finding that Ms. Magallon has achieved the competencies necessary for a CPA license.
VOTE: 8 ayes, 1 absent (Steiger)

C. APPLICATIONS RETURNED FROM BOARD

1. Heather Robison (Brown)

The Qualifications committee reviewed Ms. Robison's file at their meeting on April 25, 2013. The committee determined that the write-up did not include sufficient documentation. The supervisor licensee for this applicant had since retired and was unable to be reached for further information in support of the application. The committee recommended that the Board find that there was insufficient evidence to grant Ms. Robison a CPA license in Oregon.

Following that meeting, the supervisor was contacted and provided additional information for the application. The Board requested the committee take a look at the additional information to determine if the file is still incomplete.

The committee reviewed the information and determined that the additional information does not provide sufficient examples that the applicant has achieved the competencies.

COMMITTEE RECOMMENDATION: Moved by Mr. Brown and carried to find that there is insufficient evidence to make a preliminary finding that Ms. Robison has met the competencies necessary for an Oregon CPA license.
VOTE: 8 ayes, 1 absent (Steiger)

6. NEW BUSINESS - none

7. ADJOURNMENT

The committee adjourned at 10:17 a.m.