

# OREGON BOARD OF ACCOUNTANCY

## Qualifications Committee

Minutes, September 11, 2013

3218 Pringle Rd SE #110

Salem, OR 97302

Telephone Conference Call

503-378-4181

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*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  
Charles Landers, CPA  
Alan Steiger, CPA  
Denise Teixeira, CPA  
Bryce Wilberger, CPA  
Susan Wolcott, CPA

### Board Liaison:

Roger Graham, *Public member*

### Staff:

Martin Pittioni, *Executive Director*  
Kimberly Fast, *Program Coordinator*  
Kristen Adamson, *Licensing Specialist*  
Heather Shepherd, *Committee Coordinator*

### Excused:

David Peterson, CPA  
Rachelle Quinn, CPA

### Guests:

Brian Foster, *Applicant*  
Eric Barger, CPA, *Supervisor licensee*

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## 1. CALL TO ORDER

The Qualifications Committee convened for a regularly scheduled meeting on September 11, 2013 by telephone conference. Susan Wolcott, CPA, Committee Chair, called the meeting to order at 9:02 a.m. This meeting was recorded.

## 2. REVIEW OF MINUTES

### A. July 24, 2013

The minutes were presented and corrections noted on the spelling of committee member David Peterson's last name and a typo on page 5 of the minutes under item 3. The sentence reads...*had achieved competency in all by E,*... the sentence should read...*had achieved competency in all but E,*...

**COMMITTEE RECOMMENDATION:** Moved by Mr. Halbirt and carried to approve the minutes with the noted corrections.

VOTE: 7 ayes, 2 excused (Peterson, Quinn)

## 3. REPORT OF BOARD ACTION

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Mr. Graham discussed Board action from the August 23, 2013 Board meeting. Mr. Brumbelow, an applicant that was considered by the Qualifications committee and his supervisor, Mr. David Hoopes, attended the Board meeting by phone to discuss his work experience. This particular applicant received a split vote by the committee and therefore was presented to the Board with no recommendation. Board members discussed at length the application and ultimately voted to approve the application with a 5/2 vote; Mr. Graham and Ms. Newhouse voted not to approve the application.

Mr. Graham advised the committee that the Board has formed a laws and rules task force that will review and recommend rule amendments to the Board. The Board is aware that members of the committee and board staff have difficulties when reviewing applications and applying the current rules. Mr. Graham pointed out, as a point of reference, ORS 673.015 which refers to the *Statement of public interest in regulating practice of accountancy and provides a good framework when reviewing applications for licensure*. Mr. Graham urged committee members to share any ideas and/or opinion regarding rule changes with respect to the experience requirements or any other licensing rules so that he can relay the information to the laws and rules committee. Mr. Foster and Mr. Barger, the supervisor licensee, joined the meeting at 9:15 a.m. to be available for any questions from the committee. The committee will table this discussion until after the review of Mr. Foster's application.

## 5. PENDING APPLICATIONS

### A. Current Applications

#### 1. Brian Thomas Foster (Steiger)

Mr. Foster passed the Uniform CPA examination in May 2013 as an Oregon candidate. Experience was gained at the following employer:

University of Portland	67 months	All competencies
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Mr. Foster was previously employed at Tuality Healthcare, under the supervision of Mr. Barger, who was also his supervisor licensee at the University of Portland. The experience was not considered due to a lack of documentation regarding the applicant's job descriptions and the companies organization chart. Mr. Halbirt questioned the amount of information that was included in support of the application and asked who had prepared the documents. Mr. Barger stated that the documents submitted were produced by Mr. Foster and were provided as example work products. Mr. Wilberger asked if Mr. Foster had produced the documents that are clearly marked Moss Adams. Mr. Barger stated that the information gathered and provided to Moss Adams to prepare the reports had been produced by Mr. Foster, but the actual reports are products of Moss Adams.

**COMMITTEE RECOMMENDATION:** Moved by Mr. Steiger and carried to find that there is sufficient evidence to find that Brian Thomas Foster has demonstrated the competencies necessary for licensure.

**VOTE:** 6 ayes, 1 nay (Halbirt), 2 excused (Peterson, Quinn)

## 3. REPORT OF BOARD ACTION- continued

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Mr. Graham suggested that committee members think in general terms when considering potential statute or rule revisions, and not tie them to any particular application.

The committee requested the November meeting be in person at the Board office. The start time for the meeting was moved to 10:00 a.m. Mr. Graham has been reviewing applications for individuals who are applying for licensing by *Other Professional Standards (OPS)*. Mr. Graham is developing a document which describes the differences in the write-ups provided by supervisor licensees. The committee members asked Mr. Graham to forward the information so they would have ample time to comment. Mr. Graham will then relay the suggestions to the statute and rules committee.

Mr. Steiger asked if anyone from the Qualification's committee would be a member of the statute and rules committee. Mr. Graham noted that there has not been an appointment yet, but he would welcome a member from the Qualifications committee. Mr. Pittioni indicated that he could help procure a new member for the statute and rules committee with the chair, John Lauseng. Mr. Brown asked if the meeting would be face to face or over the phone. Mr. Graham indicated that the meetings will be face to face based on the complexity of the items to be discussed. Mr. Steiger would like to think about the opportunity to join this committee.

**4. OLD BUSINESS**  
**1. IRS**

The IRS has previously had a Board-approved program for initial licensing. The IRS submitted updates to the program in 2010. The Qualifications committee reviewed the information and contacted the IRS with concerns that needed to be addressed before the program would be considered by the Board. The Board did not receive the revised information.

In late 2012, the IRS submitted an annual report for its certification program. After discussion with members of IRS, a revised program was received on Monday, September 9, 2013. The revision was sent to the full committee on Tuesday, September 10, 2013.

Ms. Wolcott indicated that because the information had been submitted so close to the meeting, she did not feel the information could be evaluated. Mr. Steiger indicated that the document appeared to be missing information.

Ms. Wolcott requested Ms. Shepherd contact the IRS to request the missing documentation.

This item is deferred to the November meeting.

**5. PENDING APPLICATIONS-continued**  
**A. Current Applications**  
**1. Francis James DeMonte (Wilberger)**

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Mr. DeMonte passed the Uniform CPA examination in February 2013 as an Oregon candidate. Experience was gained at the following employer:

Cambia Health Solutions	27.5 months	All Competencies
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Mr. Wilberger reviewed the documentation provided to support the applicant has obtained the seven core competencies for initial licensing. Mr. Wilberger stated that he had concerns around the amount of time that the applicant had the required direct supervision with a qualified supervisor licensee. The documentation provided did not clearly indicate the applicant has met competencies B, D or F. Specifically, Competency B – Ability to Assess the Achievement of an Entity’s Objectives, the write-up does not clearly state that the applicant has obtained an understanding of the industry, competition, or key competitiveness factors.

Competency D – Understanding Transaction Stream and Information Systems, the write-up does not address the applicant’s understanding of the company’s internal controls, or their ability to prevent material misstatements.

Competency F – Decision Making, Problem Solving, and Critical Thinking in the Context of Analysis, the write-up does not provide documentation related to the applicants’ ability to evaluate cash flow, profitability, liquidity, and solvency or operating cycles. Also, the documentation does not appear to fully support the applicant’s ability to make decisions.

Based on the short time that Mr. Wilberger was able to evaluate the application, he was unable to contact the applicant or the supervisor licensees for clarification on the concerns with the documentation provided.

**COMMITTEE RECOMMENDATION:** Moved by Wilberger and carried to defer the application for additional information regarding direct supervision, Competency B – Ability to Assess the Achievement of an Entity’s Objectives, Competency D – Understanding Transaction Stream and Information Systems, and Competency F – Decision Making, Problem Solving, and Critical Thinking in the Context of Analysis.  
**VOTE:** 6 ayes, 1 abstain (Brown), 2 excused (Peterson, Quinn)

**B. Deferred Cases**

**1. David Morgan Teirney\Brown**

The application for Mr. Teirney was deferred at the July 24, 2013 Qualifications committee to provide ample time for committee members to review the applicants supplemental information.

Mr. Halbirt asked if additional information was requested for Competency G – Quality of Communication Expressing Scope of Work, Findings, and Conclusions. Mr. Brown stated that the work that was completed while preparing and reviewing the SEC documents seemed appropriate to meet the competency. Other members of the committee indicated that asking for additional documentation

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would be beneficial due to the uncertainty on much that the applicant prepared and reviewed the SEC documents.

**COMMITTEE RECOMMENDATION:** Moved by Halbirt and carried to defer the application pending additional documentation for Competency D – Understanding Transaction Streams and Information Systems, Competency E – Risk Assessment and Verification Skills, and Competency G – Quality of Communication Expressing Scope of Work, Findings, and Conclusions.

**VOTE:** 6 ayes, 1 nay (Steiger), 2 excused (Peterson, Quinn)

**COMMITTEE RECOMMENDATION:** Moved by Brown and carried to amend the first motion to defer the application pending additional documentation for Competency D – Understanding Transaction Streams and Information Systems, Competency E – Risk Assessment and Verification Skills, and Competency G – Quality of Communication Expressing Scope of Work, Findings, and Conclusions

**VOTE:** 7 ayes, 2 excused (Peterson, Quinn)

## 6. NEW BUSINESS

Mr. Steiger requested the committee discuss what type of supporting documentation is preferred to support applications for license at the November meeting. Based on comments from different committee members, it appears that requests may not be consistent. Mr. Graham indicated that based on his review of applicants who are applying under *Other Professional Standards* it is clear that there needs to be a series of interpretations regarding the competencies that could be used to give applicants and supervisor licensee guidance. Mr. Pittioni indicated that an interpretation of a competency should come from the Board's legal counsel. Ms. Wolcott does not think interpreting a competency is part of the charge of the committee and feels this should be at the Board level. Mr. Pittioni stated that it sounded like the committee would like to come up with additional guidance on the competencies. Ms. Wolcott stated that an applicant who is applying to become a CPA should have an understanding of the required competencies if they will be practicing public accounting. An applicant's supervisor is a licensee and should have knowledge of the competencies.

Ms. Quinn has advised the board office that she is teaching a course at a local university. Chair Wolcott asked Board staff to contact Ms. Quinn and ask her availability for an in-person meeting in November.

Board staff will send a confirmation email to all members of the committee for the November 13, 2013 face to face meeting with the start time confirmed.

## 7. ADJOURNMENT

The committee adjourned at 10:13 a.m.