



OREGON BOARD OF ACCOUNTANCY
Qualifications Committee
Minutes of April 27, 2016

Committee Members Present

Alan Steiger, CPA-Retired (Chair)
Casey Camors, CPA
Christina Tate, CPA
Patrick Brown, CPA
Chuck Landers, CPA (Vice-Chair)
Rachelle Quinn, CPA
Megan Kurz, CPA
Amber White, CPA
Bryce Wilberger, CPA (by phone)
Roger Graham (Board Liaison)(10:08am)

Excused Absence

Michael Schmidt, CPA
David Peterson, CPA

Staff Present

Martin Pittioni, Executive Director
Kimberly Fast, Licensing Manager
Julie Nadeau, Licensing Specialist

Guests Present

Yvette Burling
Haley Fish (future member)
Rebecca Newman (applicant)
Gregson Parker (10:11am)

Guests by teleconference

Patricia Blunt (applicant)
Lindsay Craft (applicant)
Michael Healey (applicant)
Laszlo Tosa (applicant)
Taylor Carson (applicant)
Tina Miller (supervisor – Martinez/Silva)
Sallie Loflin (applicant)
Reed Winner (applicant)
Mark Modjeski (supervisor - Loflin)

1. CALL TO ORDER

The Qualifications Committee (QC) convened for a regularly scheduled meeting on April 27, 2016. Mr. Steiger, CPA-Retired, Committee Chair, called the meeting to order at 10:03 a.m. He announced that the meeting was being recorded and called the role.

2. APPROVE MINUTES

A. January 6, 2016

COMMITTEE ACTION: Mr. Landers moved to approve the January 6, 2016 minutes. No discussion or changes noted.

MOTION PASSED: 9 Ayes.

4. PENDING APPLICATIONS

A. Current Applications

1. Pia Matzka (Landers)

Ms. Matzka passed the Uniform CPA examination in July 2014. Experience was gained at the following employer:

Hanger, Inc.

13 Months

All Competencies

Mr. Landers discussed Ms. Matzka’s background, noting that she works for a large public company in the revenue area performing accounts receivables duties. Initially he was concerned that the scope of her experience was limited, however, upon talking with the applicant, he discovered she worked in the largest and riskiest area of the company and he felt that her work in that area had provided the needed skillset. Her updated narrative was more focused on the Sarbanes-Oxley (SOX) work that she does and the testing of controls. Her supervisor reported approximately 10 hours a week of direct interaction and noted that Ms. Matzka was given a broad spectrum of responsibilities due to her analytical nature.

COMMITTEE RECOMMENDATION: APPROVAL

Mr. Landers move to find that there is sufficient evidence to make a preliminary finding that Pia Matzka has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 9 Ayes.

Ms. Quinn asked if accounts receivables experience is enough. Mr. Landers said his initial reaction was the same, but discussion with her supervisor about her experiences and the size of the company gave him comfort.

2. Laszlo Tosa (White)

Mr. Tosa passed the Uniform CPA examination in November 2015. Experience was gained at the following employer:

| | | |
|----------------------------|-----------|------------------|
| Texas Petrochemicals Group | 14 Months | All Competencies |
|----------------------------|-----------|------------------|

Ms. White provided background on Mr. Tosa’s employment. She indicated that the supplemental narrative included the original, with some added detail to competencies A and B, though she had still hoped to see more depth in competency D. Ms. Camors noted that, while there were slim details in his narrative, there was an obvious breadth of experience. Upon weighing the difference, she felt he presented with more experience than most applicants.

Mr. Tosa spoke to the committee by telephone about his experience and provided details about his background, including his nearly 16 years of employment prior to Texas Petrochemicals Group. Mr. Wilberger asked about the supervisory aspect of his duties. Mr. Tosa explained that, beyond the supervisory duties over the cost accountants, he is also responsible for the full financial operation of the plant.

COMMITTEE RECOMMENDATION:

Ms. White moved to find that there is sufficient evidence to make a preliminary finding that Laszlo Tosa has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 9 Ayes.

3. Sallie Loflin (Brown)

Ms. Loflin passed the Uniform CPA examination in May 2015. Experience was gained at the following employer:

| | | |
|-----------------|-----------|------------------|
| Tektronix, Inc. | 55 Months | All Competencies |
|-----------------|-----------|------------------|

Mr. Brown pointed out that Ms. Loflin applied using her private industry employment where she gained her experience solely in taxation. Mr. Brown expressed to the committee that the application was difficult to evaluate.

Ms. Loflin's narrative was comprehensive, although her examples were mismatched with the competencies they were addressing. Upon talking with Ms. Loflin, Mr. Brown felt comfortable with her knowledge around risk assessment and transaction streams. He also discussed his initial concern regarding direct supervision, but noted that the supervisor had provided detail that established continued and regular interaction. Mr. Landers advised the committee that competency C used a single comprehensive example, however Mr. Brown pointed out that he found additional support for competency C included in the narratives for competencies D and E. Mr. Brown also stated that he had greater clarity after speaking with Ms. Loflin. Ms. Camors expressed concerns over competencies D – F. Mr. Brown said he had the same concerns based on the narrative, but that she provided additional examples through their discussion that he advised should have been included in her narrative. Ms. Camors noted that being able to address the competencies in a clear and concise manner is part of being successful; Mr. Brown concurred.

COMMITTEE RECOMMENDATION: APPROVAL

Mr. Brown moved to find that there is sufficient evidence to make a preliminary finding that Sallie Loflin has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION FAILED. 4 Ayes. 5 nays (White, Steiger, Tate, Kurz, and Quinn)

COMMITTEE RECOMMENDATION: DEFERRAL

Mr. Brown moved to defer the application for Sallie Loflin pending additional documentation of competencies D, E and F.

MOTION PASSED. 9 Ayes.

Ms. Quinn requested that staff send the good character and attestation of employment letter as standard practice for all applicants regardless of the period of time that has elapsed since last employed. Mr. Graham questioned the value of the information the committee would obtain from the letter and how that may affect the decision. Ms. Quinn felt input from past employers add weight to the competencies met.

4. Rebecca Newman (Peterson)

Ms. Newman passed the Uniform CPA examination in November 2015. Experience was gained at the following employer:

Forensic Accounting Services

186 Months (PT)

All Competencies

Mr. Peterson was unable to attend the meeting, but shared his comments and recommendations by email, which were read for the record by Mr. Steiger. Mr. Peterson would have liked to see recommended controls in competency D. In competency E, it appeared that all analyses were based on substantive procedures. The example for competency F met the basic requirement given the appearance that the applicant does not perform much technical accounting.

COMMITTEE RECOMMENDATION: APPROVAL

Mr. Peterson, through Mr. Steiger, moved to find that there is sufficient evidence to make a preliminary finding that Rebecca Newman has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION FAILED. 1 Aye. 8 nays (White, Camors, Landers, Brown, Tate, Kurz, Quinn and Wilberger)

Mr. Landers believes the narrative was good, however it focused mostly on loss analysis rather than on the company as a whole in areas such as analysis of the company, financial statements, and cash flows. Mr. Wilberger didn't see that the applicant had an understanding of financial statements and how they work, how the business works, or how transactions flow. Mr. Steiger asked Ms. Newman and her supervisor, Mr. Gregson, to address the comments. Ms. Newman provided details about her experiences related to the various aspects of the company and Mr. Gregson attempted to clarify her role. Mr. Landers questioned whether Ms. Newman analyzes financial statements, understands accounting systems and the details of financial flow, and whether she tests the underlying data when she is evaluating businesses. Mr. Gregson said occasionally there is a need to look at granular details for litigated matters, but she generally doesn't work with that level of detail.

COMMITTEE RECOMMENDATION: DEFERRAL

Mr. Peterson, through Mr. Steiger, moved to defer the application for Rebecca Newman pending additional documentation of competencies D, E and F.

MOTION PASSED. 9 Ayes.

Ms. Quinn stepped out of the meeting room.

5. Patricia Blunt (Schmidt)

Ms. Blunt passed the Uniform CPA examination in July 2014. Experience was gained at the following employer:

| | | |
|------------------|-----------|------------------|
| Cedar Sinai Park | 13 Months | All Competencies |
|------------------|-----------|------------------|

Mr. Steiger read an email from Mr. Schmidt who was unable to attend this meeting which provided background for Ms. Blunt's experience. Mr. Schmidt's discussion with Ms. Blunt showed regular and meaningful interaction with her supervisor. In addition she provided presentations to executive management for which her supervisor was present. Mr. Schmidt felt her experience examples were relevant and sufficient, and that her capacity as Controller gave her direct responsibility for overseeing budgetary objects and goals, provided opportunities to identify and remediate misappropriation of revenue recognition, and to leverage her system aptitude to enhance processes at Cedar Sinai Park.

COMMITTEE RECOMMENDATION: APPROVAL

Mr. Schmidt, through Mr. Steiger, moved to find that there is sufficient evidence to make a preliminary finding that Patricia Blunt has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 8 Ayes. Quinn was unavailable.

Ms. White appreciated the formatting and organization of the narrative which made the application clear. Mr. Graham asked for clarification of process. He noted that usually when an applicant is present, the committee asks questions and the applicant provides additional information that satisfies the committees concerns, thus being approved. In other cases, the applicant provides additional details and yet the committee asked for the additional information to be provided in a supplemental narrative, resulting in deferral. Ms. White said specific examples would have made the additional detail more tangible as opposed to the general terms Ms. Newman shared. Mr. Landers agreed and noted that she should include more detailed examples in her supplemental narrative.

Ms. Camors asked if supervisors could create hypothetical situations for applicants in niche areas to gain more expansive experience. The committee cautioned that it might be more like book-learning rather than hands-on if not careful and that supervisors would need to allow applicants to complete actual projects within their own company to gain the experience. Mr. Graham related that the Board perspective is that experience should be a

collaboration between supervisor and employee, with the supervisor crafting experiences that allow the applicant to gain relevant experience.

Ms. Quinn returned to the meeting room.

6. Malina Martinez (Wilberger)

Ms. Martinez passed the Uniform CPA examination in November 2015. Experience was gained at the following employer:

| | | |
|---------------------|-----------|------------------|
| Lithia Motors, Inc. | 17 Months | All Competencies |
|---------------------|-----------|------------------|

Mr. Wilberger provided the background of Ms. Martinez's experience. As part of the Lithia program, she was assigned a mentor who met with her once a week. Although the supervision was technically skip-level reporting, their interaction through the mentorship program was enough to qualify as direct supervision. He noted that the Lithia Memorandum of Understanding (MOU) states that applicants must be in the program for 2 years prior to licensure, however, Ms. Martinez started the program just 11 months prior. He suggested that the committee discuss the need to follow the MOU outside of the applicant discussion.

In general, Mr. Wilberger felt the narrative was brief and somewhat vague. He noted that competency B was not fully addressed and that some areas pertained more to competency C. In addition, he believes the application showed very little understanding of the clients' objectives. Competency C was spread out among other competencies, however, he felt it was covered. The examples used for competency D didn't demonstrate the ability of the applicant to evaluate transaction streams or understand the flow. He struggled with competency E because it primarily addressed competency F. Competency G lacked an expression of the scope of work or findings and the examples were shallow and did not explain her level of participation or how findings or conclusions were used.

COMMITTEE RECOMMENDATION: DEFERRAL

Mr. Wilberger moved to defer the application for Malina Martinez pending additional documentation of competencies B, D, E and G.

MOTION PASSED. 7 Ayes. Tate, Kurz abstained.

Tina Miller, program mentor to Ms. Martinez, attended the meeting via teleconference. She attempted to give more context to the application, referencing several years of working with Ms. Martinez that amounted to more than the 11 months of their formal mentoring arrangement, and discussed the details of her daily duties. Mr. Wilberger felt the examples given showed how Ms. Martinez performed her work duties rather than showing the applicant's ability to make assessments. Ms. Miller stated that, although it may seem like the tasks are administrative, she feels Ms. Martinez needs a higher level of understanding to complete those tasks. Mr. Landers noted that Ms. Miller is providing much greater depth than the brief narrative and was surprised that there was no mention of the Lithia program in her application. Ms. Miller discussed the MOU program at Lithia, explaining how applicants moved through the program and the level of experience and interaction they received. Mr. Brown asked if there was any review of applications prior to submission to ensure that the applicants going through the program are submitting quality, comprehensive narratives; Mr. Wilberger had the same question and read the MOU program details as part of his review of the application, noting that the program doesn't appear to be working as it was intended.

Ms. Kurz and Ms. Miller discussed the quarterly meetings in which the committee discusses applicants who are moving through their program and the offer to review applications prior to submission is always extended, but not required. Ms. Quinn questioned the supervisor licensee as to why, if the work is available for experience and the resources are available to review the application why is it that this particular applicant didn't provide a comprehensive narrative? Mr. Graham said that the Board shifted to a narrative prepared by the applicant, not only to substantiate their experience, but also to be reflective about what they've learned. Mr. Landers added that the goal for having the applicant write the narrative was to allow for more granular detail to be included with the supervisor having an opportunity to discuss and suggest revisions prior to submission. He noted that applications from other programs are more detailed and clear in terms of their experiences, but the two applicants from Lithia today were lacking in detail and examples. Ms. Miller expressed her appreciation for the feedback and asked if the committee is looking for multiple examples for each competency or if they would prefer a couple of examples with much greater detail. Mr. Wilberger said he would be more comfortable with a couple of really detailed examples for each of the competencies; there was a consensus amongst the committee and Mr. Brown pointed out that the Industry Experience worksheet specifically requests examples. Mr. Steiger added that the committee needs to see an understanding on the part of the applicant as to what the competency is and how their experience relates to it.

Ms. Miller requested that the application of Kimberly Silva be discussed next as she is supervisor/mentor to both and the discussion is likely to be similar.

11. Kimberly Silva (Brown)

Ms. Silva passed the Uniform CPA examination in August 2015. Experience was gained at the following employer:

| | | |
|---------------------|-----------|------------------|
| Lithia Motors, Inc. | 28 Months | All Competencies |
|---------------------|-----------|------------------|

Mr. Brown noted that the narrative lacked detail in all competencies, with Mr. Landers noting no mention of the MOU program. Ms. Miller, supervisor to Ms. Silva, asked for guidance on how to better detail the experience. Mr. Wilberger suggested that a paragraph in the supervisor documentation stating that the applicant is part of the mentor program would be helpful and would also help with the review of skip-level reporting. Mr. Brown said Cambia applicants prepare an opening paragraph for their narrative that talks about their participation in the program and Mr. Landers added that Intel uses the same format.

COMMITTEE RECOMMENDATION: DEFERRAL

Mr. Brown moved to defer the application for Kimberly Silva pending additional documentation of all competencies (A-G).

MOTION PASSED. 7 Ayes. Tate, Kurz abstained.

7. Taylor Carson (Kurz)

Mr. Carson passed the Uniform CPA examination in November 2010. Experience was gained at the following employer:

| | | |
|------------|-----------|------------------|
| Nike, Inc. | 15 Months | All Competencies |
|------------|-----------|------------------|

Ms. Kurz provided some background regarding conversations with the applicant, noting that he was responsive, however, the reviewer requested more detail on his narrative. Unfortunately, Mr. Carson's work timeline didn't allow for narrative revisions to be completed in time for the committee meeting.

COMMITTEE RECOMMENDATION: DEFERRAL

Ms. Kurz moved to defer the application for Taylor Carson pending additional documentation of all competencies (A-G).

MOTION PASSED. 9 Ayes.

8. Lindsay Craft (Quinn)

Ms. Craft passed the Uniform CPA examination in August 2015. Experience was gained at the following employer:

| | | |
|----------------------------------|-----------|---------------------|
| XPO Logistics (formerly Con-Way) | 47 Months | All Competencies |
| Deloitte & Touche LLP | 31 Months | Competencies A, C-G |

Ms. Quinn provided background for Ms. Craft's application, noting that she worked many years as an internal auditor at XPO Logistics. Ms. Craft was also employed at Deloitte where she performed traditional attest work. Deloitte provided an evaluation of her work and signed off on all competencies other than Competency B, the ability to assess achievement of a client's objectives. Ms. Craft is currently employed at Nike.

COMMITTEE RECOMMENDATION: APPROVAL

Ms. Quinn moved to find that there is sufficient evidence to make a preliminary finding that Lindsay Craft has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 9 Ayes.

9. Reed Winner (Camors)

Mr. Winner passed the Uniform CPA examination in February 2015. Experience was gained at the following employers:

| | | |
|-----------------|---------------------|---------------------|
| Kuni Automotive | 17 Months (8 mo PT) | All Competencies |
| Lithia Motors | 21 Months | Competencies A-C, G |

Ms. Camors provided background for the applicant, noting that he had a good variety of high-level and detailed experience while working as an internal auditor. The applicant provided additional examples for several competencies in a supplemental narrative.

COMMITTEE RECOMMENDATION: APPROVAL

Ms. Camors moved to find that there is sufficient evidence to make a preliminary finding that Reed Winner has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 7 Ayes. Tate, Kurz abstained.

Mr. Landers questioned the direct supervision. Ms. Camors noted that he addressed that issue in his application, stating that he was directly supervised by Laura Carlisle for 9 months and maintained regular, meaningful interaction with her after the subsequent hire of Eric Score.

The Committee took a brief break for lunch at 11:55am. The meeting was reconvened at 12:13pm. Mr. Wilberger and Mr. Healey remained on the phone after the break.

10. Michael Healey (Tate)

Mr. Healey passed the Uniform CPA examination in November 2015. Experience was gained at the following employers:

| | | |
|----------------|----------------|------------------|
| DCAA | 19 Months (PT) | All Competencies |
| RAS Group CPAs | 60 Months | All Competencies |

Ms. Tate provided background, noting that the applicant primarily performs audit work, but does not perform review functions.

COMMITTEE RECOMMENDATION: APPROVAL

Ms. Tate moved to find that there is sufficient evidence to make a preliminary finding that Michael Healey has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 8 Ayes; 1 nay (Wilberger)

Ms. Quinn said the lack of experience in review didn't bother her, but wanted to know more about risk assessment. She asked if Mr. Healey performed a prescribed set of tasks related to risk assessment or if he assessed risk relevant to each situation. Mr. Healey responded stating there is a preset program for daily operation, but if the program doesn't fit with a situation, he adds additional steps outside the program to find the answer. Mr. Landers asked why he didn't apply using his public accounting experience at the RAS Group CPAs. Mr. Healey replied that he wanted to use the most current and relevant experience, but noted that he has extensive public accounting experience. Mr. Wilberger asked for clarification on the type of audit experience through DCAA, noting that it seemed more like he worked on compliance audits than financial statements audits. Mr. Landers explained that a DCAA auditor would have to understand the systems and information flows of each company audited; Mr. Healey concurred. Ms. Tate referenced the apparent skip-level reporting, but said he maintained regular and meaningful interaction with the supervisor CPA.

3. REPORT OF BOARD ACTION

Mr. Graham noted that the Board approved the QC's recommendations at their meeting of February 5, 2016. He appreciated the comments during applicant reviews regarding the QC's goal to keep high standards for the profession, advising that the Board trusts the committee to perform quality reviews and make thoughtful recommendations.

Mr. Pittioni reported that Mr. Graham's Board term is close to expiration. He explained that Mr. Graham's role as liaison to the QC has been critical in updating the current standards for licensure and internal practices at BOA related to licensure. He expressed his thanks to Mr. Graham for his support of licensing staff, and also extended gratitude to Mr. Brown and Mr. Landers for their service on the committee.

Mr. Graham reported that the Board appointed Haley Lyons to the QC beginning June 1, 2016. Ms. Lyons introduced herself and briefly talked about her background. Mr. Graham said he will be carrying forward the application of Yvette Burling to the Board at their May meeting and expects her to be confirmed. Ms. Burling introduced herself and briefly talked about her background.

5. NEW BUSINESS

Mr. Steiger opened a discussion about files coming to the QC, with respect to what should be in the file, the written documentation and when it should be in the file. He noted supplemental information coming at the last minute doesn't allow time for quality review. Mr. Pittioni added that staff tries to respect the time of the committee members and afford all the time possible for review. Ms. White asked about the procedure for working with applicants prior to the meeting and asked that committee expectations be recirculated for clarification.

Ms. Camors felt like the reviewer should be asking the big questions, requesting additional documentation to be provided in supplemental paperwork, so that at the meeting the questions are small-scale, noting that having the additional details in writing helps with public records. Mr. Graham suggested that the committee should talk with applicants and ask for revisions prior to the meeting and could defer applications that don't have sufficient documentation at the time of the meeting. Mr. Steiger felt the committee should establish a timeframe for reviewing and transmitting applications. It was decided to set a deadline for applications six weeks prior to the meeting, at which time applications would be transmitted to the reviewers. Two weeks later, all review would be complete and applicants would be given two weeks to make revisions. Two weeks prior to the meeting date, full packets would be distributed to the committee. Staff agreed to prepare a notice of the timeline for distribution to the committee, the MOU programs and for publication to applicants. Mr. Steiger noted that all materials from applicants would be submitted in writing prior to packets going to the committee or the application would be deferred to the next meeting.

A. Elections

Mr. Steiger opened the floor for nominations. There was a discussion about duties for each elected position.

COMMITTEE RECOMMENDATION: NOMINATION - CHAIR

Ms. Quinn moved to nominate Alan Steiger to continue as Chair of the Qualifications Committee.

MOTION PASSED. 8 Ayes.

COMMITTEE RECOMMENDATION: NOMINATION - VICE CHAIR

Ms. Kurz moved to nominate Rachelle Quinn as Vice Chair of the Qualifications Committee.

MOTION PASSED. 8 Ayes.

6. ADJOURN

The meeting was adjourned at 1:15pm.