



OREGON BOARD OF ACCOUNTANCY
Qualifications Committee
Minutes November 14, 2014

Committee Members Present

Patrick Brown, CPA
Michael Halbirt, CPA (*Chair*)
Chuck Landers, CPA (*Vice-Chair*)
David Peterson, CPA
Rachelle Quinn, CPA
Alan Steiger, CPA
Christina Tate, CPA
Bryce Wilberger, CPA
Roger Graham, (*Board Liaison*)

Staff Present

Martin Pittioni, *Executive Director*
Kimberly Fast, *Licensing Manager*
Kristen Adamson, *Licensing Specialist*
Joel Parks, *Licensing Specialist*

Excused Absence

Alia Adams, CPA

Guests

Yan Li Gao, *Applicant*
Halie Henderson, *Applicant (arrived 1:10 p.m.)*
Amber White, *Applicant Supervisor (arrived 1:10 p.m.)*
Susan Hoshida, *Applicant*
Rachel Nishida, *Applicant*
Bruna Pinheiro, *Applicant (arrived 1:48 p.m.)*
Heather Robison, *Applicant*
Yevgeniya Williams, *Applicant (arrived 1:48 p.m.)*

1. CALL TO ORDER

The Qualifications Committee (QC) convened for a regularly scheduled conference meeting on November 14, 2014. Michael Halibirt, CPA, Committee Chair, called the meeting to order at 11:03 a.m., and announced that the meeting was being recorded.

2. REPORT OF BOARD ACTION

A. Proposed Rule Changes

Mr. Graham thanked Committee members for being part of the Committee. The Laws and Rules Task Force and the group from the Qualifications committee have completed the work on the experience requirement proposed changes. Mr. Graham would like the committee to determine whether they agree that industry applicants should be responsible for completing the experience documentation as tax applicants are required to do. This requires the applicants to prepare the written documentation with examples and experience that is then signed off by their supervisor licensee. The rules proposes that attest applicants also complete the experience documents for licensure, thus making each path equal. Division 10 had many other proposed changes. It is proposed that a supervisor licensee, which under current rules must be licensed for at least five consecutive years prior to the time of

supervision, be amended to read that the supervisor licensee be actively licensed for at least five of the past seven years prior to supervision. This will help eliminate the circumstances where a licensee may have lapsed for a short period of time due to a renewal issue. The task force also amended the language in terms of the authority over the applicant. The rules currently read that the supervisor licensee must have influence in the decision to discharge an employee. The proposal takes away that language and replaces it with having authority over the employee. There are instances in licensing that the supervisor licensee does not hold a position that would allow them to have the influence to discharge.

Ms. Quinn expressed concern with the applicants writing up their own experience documentation. She wants to ensure that supervisors are engaged and know what the applicant is writing since most likely the committee member assigned to the case will contact them regarding what is written in the write-up. Ms. Fast reminded the committee that the supervisor licensee must sign and attest to the document the applicant is submitting as evidence of eligibility. Mr. Landers thought that was a good point and in doing this, since it takes some of the thought process from supervisor. Ms. Tate added that at Lithia the report sent to the Board is a group effort and believes it is important that applicant is able to articulate how they meet the competencies with heavy involvement from the supervisor. Mr. Landers commented that it would most likely be the case with bigger companies, however, he is concerned that smaller companies may lean too heavily on the applicant. Ms. Quinn mentioned that we don't want some applicants to write up a beautiful analysis and have the supervisor to sign off on it with no involvement. Mr. Brown asked if supervisors understand accountability. Ms. Fast suggested adding a verification paragraph, where the supervisor licensee would attest to the fact that they have read and agree with the information presented in the write-up.

Mr. Peterson likes the idea of the applicant taking ownership for process and believes it will lead to better examples and write-ups.

3. Competencies Evaluation Form Updates

Mr. Graham pointed out that there are some changes to competency explanations for both Tax experience and Industry experience. The competencies remain the same as attest, however, there is interpretation and guidance on how applicants under these paths can meet those competencies in the work they do.

The committee discussed how to categorize applicants who gain experience through internal and government audit? Mr. Graham clarified that the goal is for those applicants to go through Qualifications Committee. Mr. Halbirt asked the committee to pause discussion on rules and address the applicants on the agenda as some are calling in.

4. Pending Applications

1. Kyle Walker (Quinn) – Agenda Item 4.A.4

Mr. Walker passed the Uniform CPA examination in February 2011 as an Oregon candidate. Experience was gained at the following employer:

Bonneville Power Administration	13 months	All Competencies
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Ms. Quinn reported that she spoke with Mr. Walker's supervisor, Sheree Tanner, to explain his work as a credit analyst at the Bonneville Power Administration (BPA). To gain sufficient competency, Mr. Walker completed a job rotation through the BPA's internal audit group. Ms. Quinn ensured that Ms. Tanner was a direct supervisor for Mr. Walker as well.

COMMITTEE RECOMMENDATION: APPROVAL

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

Mr. Halbirt asked for some specifics on how Mr. Walker met Competency G, and Ms. Quinn responded that his work on an A-123 audit involved performing test work and preparing work papers that were relevant to the Competency.

MOTION PASSED. 8 Ayes, 1 Excused (Adams)

2. Heather Robison (Tate) – Agenda Item 4.B.4

Ms. Robison passed the Uniform CPA examination in August 2012 as an Oregon candidate. Experience was gained at the following employer:

Umpqua Bank	22 months	All Competencies
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Ms. Tate had initially deferred Ms. Robison's application for Competencies B, D, and E. Ms. Robison submitted an additional write-up and spoke with her supervisor for about an hour about some of the examples she could use to make the write-up more robust. The ideas they discussed were incorporated into write-up. Ms. Tate felt she had met the competencies. Ms. Tate also confirmed that Ms. Robison meets with her supervisor on a weekly basis and the supervisor oversees much of her work.

COMMITTEE RECOMMENDATION: APPROVAL

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

Mr. Halbirt questioned Competency B, concerned that it was not fully addressed in the write-up. Ms. Tate noted that the write-up refers to model risk management which is something bank regulators deal with. Ms. Tate thought this area was a bit light, but after investigation, believed Ms. Robison was methodical in her work and knowledgeable of the industry's regulations.

Motion Passed. 8 Ayes

3. Susan Hoshida (Wilberger) – Agenda Item 4.B.2

Ms. Hoshida passed the Uniform CPA examination in January 2012 as an Oregon candidate.

Experience was gained at the following employer:

The Kroger Co. 93 months All Competencies

Mr. Wilberger explained that Ms. Hoshida's application was previously deferred specifically for the nature of direct supervision, appearing to be a skip level between Susan and the corporate controller in Chicago. Mr. Wilberger was able to ascertain that the nature of the supervision is more direct than it had appeared previously. Most of Ms. Hoshida's work is reviewed by her supervisor rather than the local supervisor who is not licensed. Ms. Hoshida's write up was revised to include only the eight years that were supervised.

COMMITTEE RECOMMENDATION: APPROVAL

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

Motion Passed. 8 Ayes

4. Halie Henderson (Adams) – Agenda Item 4.B.1

Ms. Henderson passed the Uniform CPA examination in May 2014 as an Oregon candidate.

Experience was gained at the following employer:

Pacific Continental Bank 13 months All Competencies

Mr. Halbirt began the discussion by reading Ms. Adam's recommendation, which moved to deny the Ms. Henderson's application specifically based on lack of understanding and experience in Competency E (Risk Assessment).

COMMITTEE RECOMMENDATION: DENIAL

Ms. Adams moved to find that there is insufficient evidence to make a preliminary finding that Halie Henderson has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

Ms. Quinn asked Ms. Henderson about her understanding and abilities in risk assessment. Ms. Henderson replied that she had worked closely with internal audit in the finance department. Ms. White continued, speaking about the close involvement of the internal audit and finance departments at Pacific Continental Bank. In addition to that involvement, she mentioned test of merchant terminals Ms. Henderson worked on. Ms. Henderson met with this group, assessed risks in process, and the bank changed their process based on Ms. Henderson's recommendations. Within the finance department, Ms. White referenced Ms. Henderson's role in the accounts payable process, which from a risk management perspective, is the largest money stream leaving the bank. Ms. Henderson also made innovations in ACH processing.

Mr. Brown was curious why the substantial examples spoken about were omitted. Ms. White replied that this was her first time signing off on an applicant, and furthermore, they had no contact from Ms. Adams, and she remained unclear on the specifics of what the committee was looking for.

Motion Failed. 8 Nays

COMMITTEE RECOMMENDATION: APPROVAL

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

Mr. Halbirt felt that based on the write-up, there was not a sufficient sense of the complexities dealt with at the bank. Mr. Steiger pointed out that verbal examples answered questions.

Motion Passed. 7 Ayes, 1 Nay (Halbirt)

Ms. Henderson and Ms. White left the meeting at 1:28 p.m.

5. Tsz “Iris” Cheng (Landers) – Agenda Item 4.A.1

Ms. Henderson passed the Uniform CPA examination in May 2014 as an Oregon candidate.

Experience was gained at the following employer:

ManuLife Financial 27 months All Competencies

Mr. Landers had concerns with the data presented for all of the competencies. Mr. Wilberger noted that there was no connection between the applicant to the U.S. or Oregon. The correspondence sent to the applicant following her first application in 2013 was ambiguous and may have given the impression that the first five competencies were approved. Overall, Mr. Landers did not see evidence of the applicant meeting Competencies B-F.

COMMITTEE RECOMMENDATION: DENIAL

Mr. Landers moves to find that there is insufficient evidence to make a preliminary finding that Tsz Cheng has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

Motion Passed. 8 Ayes

Mr. Pittioni asked a clarifying question about procedure to reach out in response to Ms. Henderson. Mr. Landers was surprised she didn't call and talk since denial hinged on one competency. Mr. Halbirt struggled with the applicant's field of work. Ms. Quinn suggested that new Committee members need instructions on what they should and should not be doing in terms of follow up with supervisors and what to say and not say, etc. Ms. Quinn volunteered to start an email brainstorm session.

6. Yevgeniya Williams (Tate) – Agenda Item 4.A.5

Ms. Williams passed the Uniform CPA examination in February 2013 as an Oregon candidate.

Experience was gained at the following employer:

Intel 15 months All Competencies

Ms. Tate felt that Ms. Williams had a complete and satisfactory application and there was sufficient evidence in the write up to make a motion to approve. Mr. Halbirt had a question on Ms. Williams' supervisor, Ms. Karcher's licensure status. Mr. Parks explained the California Board position that Ms. Karcher's license had a brief period in pending status. Following some additional clarification that Ms. Williams had at least 12 months of supervision under Ms. Karcher and two other supervisors, the committee agreed on Ms. Williams' qualification.

COMMITTEE RECOMMENDATION: APPROVAL

Ms. Tate moved to find that there is sufficient evidence to make a preliminary finding that Yevgeniya Williams has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065, provided that the supervisor provides additional evidence of supervised time.

Motion Passed. 8 Ayes

7. Bruna Pinheiro (Adams) – Agenda Item 4.A.3

Ms. Pinheiro passed the Uniform CPA examination in May 2013 as an Oregon candidate.

Experience was gained at the following employer:

Intel 11 months All Competencies

Mr. Halbirt read Ms. Adams' recommendation, which was a motion to approve.

COMMITTEE RECOMMENDATION: APPROVAL

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

Motion failed. 7 Nays

The committee saw 11 months of qualifying supervision but one more month was required. Staff will clarify the pending status from California for Ms. Karcher or on Mr. Snow to sign off on additional time. Mr. Graham asked to clarify whether this application will be reviewed again, or if this is only an issue of supervised time. Mr. Halbirt confirmed that the competencies would not need to be revisited.

COMMITTEE RECOMMENDATION: APPROVAL

Mr. Steiger moved to find that there is sufficient evidence to make a preliminary finding that Bruna Pinheiro has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065, pending additional verification that the supervision has included twelve months.

Motion Passed. 7 Ayes

8. Rachel Nishida (Peterson) – Agenda Item 4.B.3

Ms. Nishida passed the Uniform CPA examination in May 2014 as an Oregon candidate.

Experience was gained at the following employer:

Albertina Kerr Centers 20 months All Competencies

Ms. Nishida's application was deferred for competencies B through G at the September 2014 meeting. After reviewing the revised write up, Mr. Peterson obtained clarification on more competencies, but still felt that competencies B, C, and E were weak. He wanted to see real examples of what the applicant's role was. On Competency C, Mr. Peterson received information on compiling information, but did not see any substantial analysis skills. On Competency E, additional information indicated some procedures, but Mr. Peterson was but unable to ascertain if Ms. Nishida had actually performed any risk assessment as opposed to performing work as directed by others.

COMMITTEE RECOMMENDATION: DEFERRAL

Mr. Peterson moved to defer for Competencies B, C, and E.

Mr. Steiger: Thought it would read better if applicant had written it rather than the supervisor. Individual would probably be more clear on the roles/examples.

Motion Passed. 7 Ayes

9. Yan Li Gao (Wilberger) – Agenda Item 4.A.2

Ms. Gao passed the Uniform CPA examination in May 2008 as a New Hampshire candidate.

Experience was gained at the following employer:

First Capital Asset Management 12 months All Competencies

The first concern Mr. Wilberger had was that Ms. Gao was at just 12 months of experience. He did not feel that the application supported Competencies B in any way, Competencies D and F were weak in descriptions and examples. Competency E was also particularly weak in that there was discussion of preparations but not of risk assessment. There was no description of decisions made or how they played out.

COMMITTEE RECOMMENDATION: DENIAL

Mr. Wilberger moves to find that there is insufficient evidence to make a preliminary finding that Yan Li Gao has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

Mr. Landers questioned why Mr. Wilberger chose to deny rather than defer the application for more information. Mr. Wilberger responded that his decision was based somewhat on the large amount of documentation provided with the application. When he considered the copious amount of documentation, he did not feel that there could be enough information remaining to support a recommendation for approval. Additionally, Mr. Wilberger was not able to get in contact with Ms. Gao's supervisor.

Motion Passed. 5 Ayes, 2 Nays (Brown, Landers)

Return to Rules discussion – Agenda Item

The committee reviewed each competency for tax and industry applicants and had no substantial concerns.

5. Approve the Minutes

A. September 24, 2014

The Committee reviewed the minutes. Mr. Graham noted that he was not listed as an attendee and that the meeting was via teleconference.

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

VOTE: 8 ayes

6. Old Business

- A. Department of Revenue MOU
- B. IRS MOU

Mr. Halbirt reported that the IRS has completed and submitted their Memo of Understanding and that the Department of Revenue will be sending additional information soon.

C. Certificate of Experience Lists

The committee reviewed letters that are sent to the supervisor licensees with numerous questions as to the applicants experience as well as the questions that are asked on the Certificate of Experience forms. Some of the information is redundant and the committee made suggestions to staff on how to streamline the two.

D. Comfort Letters

Applicants provide the Board with the past 10 years of their employment history. Many applicants have been employed in jobs where there is no relation to accounting. In these instances, the Board has historically sent "comfort letters". These letters simply ask the employer if there is any reason the Board should not license the individual, much like a character letter. The Committee agrees they should continue being sent with just a few minor edits.

7. New Business

A. Certification Program Annual Reports

The committee receives reports from the certification programs as to their activity over the past year. The Committee would like to add the requirement for programs to estimate the completion dates for their candidates to better plan the workload of the committee.

The reports reviewed were satisfactory.

B. Committee Annual Report

The committee reviewed and approved the Annual Report of activities of the Qualifications committee in 2014.

C. Elect New Committee Chair and Vice-Chair

Mr. Landers nominated Mr. Steiger to serve as Chair for 2015. Mr. Steiger is currently on retired status and therefore staff will confirm with the Board on whether his status is compatible with serving as Chair.

COMMITTEE RECOMMENDATION: Moved by Mr. Landers and carried to elect Mr. Steiger as Chair for 2015.

Vote: 7 ayes, 1 abstain (Mr. Steiger)

Mr. Steiger nominated Mr. Landers to serve as Vice Chair of the committee in 2015

COMMITTEE RECOMMENDATION: Moved by Mr. Steiger and carried to elect Mr. Landers as Vice Chair of the Qualifications Committee.

Vote: 7 ayes, 1 abstain (Mr. Landers)

D. Member Recruitment

Mr. Graham is happy to work on finding replacements and suggested recruiting someone from Intel. Ms. Quinn noted that there is a shortage of committee members in higher education. Board staff will provide the committee with a list of people who are interested. The committee needs three new members.

E. 2015 Meeting Schedule

The committee reviewed the proposed meeting schedule for 2015.

8. Adjourned

The meeting adjourned at 3:37 p.m.