Oregon Board of Accountancy
Minutes of the
Laws and Rules Task Force
Wednesday, October 16, 2013 at 10:30 a.m.

Board of Accountancy/Large Upstairs Conference Room
3218 Pringle Rd SE, Salem, OR 97302

Present:

John Lauseng, CPA, Chair
Alan Steiger, CPA
Stuart Morris, PA, OAIA
Scott Wright, CPA, Board Member
Roberta Newhouse, CPA, Board Member (by phone)
Roger Graham, Board Member
Sherrie McPherson, OSCPA
Susan Bischoff, Board Counsel
Martin Pittioni, Executive Director
Kimberly Fast, Licensing Program Coord.

Excused:

Steve McConnell, CPA

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1. Call to Order / announce recording of meeting

The meeting was called to order at 10:34 a.m. and Mr. Lauseng announced the meeting was being recorded. Mr. McConnell was unable to make today's meeting, however, he sent notes to Mr. Lauseng who will relay his messages throughout the meeting.

2. Review Minutes of September 20, 2013 Meeting

Minutes from the September 20, 2013 meeting were distributed for comments. No corrections were noted.

3. Housekeeping vs. Policy changes

Mr. Wright referenced the memo distributed to the task force that outlines housekeeping changes in rule. There are some areas where the proposed changes are simply housekeeping and others where there is underlying policy issues attached. The housekeeping in statute is not that simple. There are so many necessary changes that it is imperative that the task force prioritize changes that need to be presented in the 2014 Special Legislative Session and those that can wait for the 2015 Regular Legislative session.

Mr. Graham stated that there are certain items in statute that can simply be removed and then dealt with in rule, for example the fees. The group agreed that taking specifics out of statutes along with providing a clear board authority in statutes is a great place to start.

The Board has reviewed the changes to the definition of attest and are willing to tackle at the 2015 legislative session. Ms. Bischoff recommended taking out some of the definitions currently in statute, specifically, those that are likely to be changed by the profession, like the definition of attest. Those that should remain would be definitions of a license or licensee for example. Mr. Pittioni will work on a draft of proposed changes and Mr. Lauseng and Mr. McConnel will review the profession specific definitions.

The Board and task force are in agreement that firm mobility is not a priority at this time, however, will continue to be watched.

Statutes relating to firm registration is unclear as to when the Board requires that a public accounting firm register with the Board. The rules supporting the statute are equally unclear. Mr. Lauseng agreed to work on proposed amendments.

There are concerns regarding the statues which provides guidance to the Board for grounds for discipline. At this time, the Board is allowed to only find a violation if the licensee has a felony that has a nexus to the practice of public accountancy. There have been cases where severe felonious misconduct has been very difficult for the Board to grapple with in terms of implications for license. Board counsel warned the task force that in some instances it can almost be a double jeopardy for a licensee who has paid for their crime and then is hit with a revocation of their ability to practice.

In addition, the statutes pertaining to the disclosure of complaint files was discussed. The Board may want to consider whether they would like a true confidentiality statute that would exempt any information from public disclosure unless a violation is found. Concern has been raised that the statute prohibits the Board from being transparent, particularly at the public Board meetings.

Current language in the statues related to cease and desist orders make it appear the Board has the authority to immediately suspend someone's practice while under investigation, however that is not the case. The Cease and Desist order gives the individual 30-days as opposed to 21-days in which to appeal or file for a hearing, which make the cease and desist ineffective. Board counsel volunteered to draft language for this.

4. Licensing Requirement Discussion

Mr. Graham outlined the different paths available to applicants applying for a CPA license. There are significant inconsistencies that have been identified with respect to how applicants are being licensed through the various paths: audit/attest, other professional standards, and private industry/government. There is difficulty, both from staff and the Qualifications committee on how to interpret the competencies and the level of documentation provided for each path. Mr. Graham will have a discussion/presentation with the Qualifications committee at their meeting in November and will report back to the task force.

5. Ethics Codification

Mr. Steiger reported that what the Board currently has in terms of the ethics rules are disjointed and incomplete. The Board did not adopt the code of ethics as a whole in the past and simply chose which standards to put in rule. Mr. Steiger will work on identifying which OARs and ORS's require updated language references to codification and draft adoption language for standards that permits the Board to use the interpretations for guidance.

6. Scheduling of next meeting

Members agreed that the next meeting will be held on December 4, 2013 at the Board office beginning at 10:30 a.m.

The meeting adjourned at 2:53 p.m.