



OREGON BOARD OF ACCOUNTANCY
Qualifications Committee
Minutes of January 6, 2016

Committee Members Present

*Alan Steiger, CPA-Retired (Chair)**
Casey Camors, CPA (9:07am)
Christina Tate, CPA
Patrick Brown, CPA
Chuck Landers, CPA (Vice-Chair)
Rachelle Quinn, CPA (9:11am)
Megan Kurz, CPA
Roger Graham (Board Liaison)

Staff Present

*Kimberly Fast, Licensing Manager**
*Julie Nadeau, Licensing Specialist**
*Angel Legler, Licensing Specialist**

Excused Absence

Michael Schmidt, CPA
Amber White, CPA
Bryce Wilberger, CPA
David Peterson, CPA

Guests Present

*Terry Miley-Mayhead (Candidate)**
Katharine Snell (Candidate)
*Alan McGuire-Dale**
Kay Sohl, Supervisor Licensee (Miley-Mayhead)
Kristopher Tate, Supervisor Licensee (Bettinger)
Aria Bettinger (Candidate)

**present at Board offices*

1. CALL TO ORDER

The Qualifications Committee (QC) convened for a regularly scheduled meeting by conference call on January 6, 2016. Alan Steiger, CPA-Retired, Committee Chair, called the meeting to order at 9:00 a.m. Mr. Steiger announced that the meeting was being recorded and called the roll.

2. APPROVE MINUTES

A. November 18, 2015

No discussion or changes noted.

COMMITTEE ACTION: Mr. Landers moved to approve the November 18, 2015 minutes.

MOTION PASSED: 6 Ayes.

3. REPORT OF BOARD ACTION

Mr. Graham noted that the Board approved all of the QC's recommendations at their meeting of December 7, 2015.

Mr. Graham said he recently learned that Massachusetts has a two-tier experience requirement, which they don't appear to enforce after CPA licenses are awarded, but that is particularly interesting given the specific experience criteria for audit applicants. After reading their requirements, he suggested it may be a holdover from prior periods that would be difficult to enforce with reciprocity, but he felt it was interesting in terms of recent discussions among the Board and QC.

Mr. Graham reported to the Board the QC discussion regarding the declining quality of applications. He didn't recall any specific comment, but noted there was a lack of surprise.

4. PENDING APPLICATIONS

A. Current Applications

1. Terry Miley-Mayhead (Tate)

Ms. Miley-Mayhead passed the Uniform CPA examination in August 2014. Experience was gained at the following employer:

Peninsula Children's Center	39 Months (PT)	All Competencies
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Ms. Tate provided some background, explaining that the narrative received by the QC included significant revisions prepared by Ms. Miley-Mayhead because her initial materials included experience that wasn't supervised. Ms. Tate discussed examples of Ms. Miley-Mayhead's work experience that she felt were instrumental in preparing her to meet each area of competency.

Mr. Landers asked how many people work in the accounting department and asked for a discussion of the direct supervision. Ms. Sohl reported most of the time that at least one other staff person was involved in the detailed billing/receivables function, working directly with Ms. Miley-Mayhead while she was performing the CFO functions. Regarding supervision, Ms. Sohl stated that she had served as the volunteer Treasurer, but remained on the Board after she concluded that role and she remains active with the Finance Committee. The Board, particularly the Finance Committee, plays an unusually active role in assessing financials and financial strategies and as such, Ms. Sohl worked closely with Ms. Miley-Mayhead. Mr. Landers asked if her work papers had been reviewed closely. Ms. Sohl said she reviewed her work regularly, partly because she knew Ms. Miley-Mayhead was working toward licensure and wanted to verify the quality of her work, but indicated she also worked closely with Ms. Miley-Mayhead due to difficulties with collections and receivables prior to her hire. The Finance Committee was concerned with the reliability of information and Ms. Sohl wanted to be sure the information was supported appropriately.

COMMITTEE RECOMMENDATION: Approval

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

MOTION PASSED, 7 Ayes.

2. Katharine Snell (Quinn)

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

Diamond Foods	21 Months	All Competencies
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Ms. Quinn referenced the addendum that was sent. She questioned Ms. Snell regarding the level of direct supervision given the physical distance between their offices and asked about the quality/content of their interactions. She also asked Ms. Snell to provide additional information for competencies B, D and E in her revisions and felt that those areas were now met.

Mr. Steiger asked about the week Ms. Snell spent in San Francisco job shadowing her supervisor. Ms. Snell said she was able to spend extensive year-end preparation time with her supervisor and outlined the various projects she worked on. She was also involved in preparing memos and procedure changes/policies that needed to be updated for the upcoming fiscal year. Since she has been with Diamond Foods since 2012, she had year-end experience with her employer, but the week she spent with her supervisor provided a broad picture of the company-wide financials and consolidation process.

COMMITTEE RECOMMENDATION: Approval

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

MOTION PASSED. 7 Ayes.

4. Aria Bettinger (Camors)

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

Lithia Motors	8 Months (FT)	All Competencies
	10 Months (PT)	

Ms. Camors provided some background on Ms. Bettinger’s experience with Lithia. She was initially concerned about the specific nature of Ms. Bettinger’s duties and her ability to possess an entity-wide level of understanding, so she requested additional documentation for competencies B, D and F. The supplemental information, shared with the QC by email, expanded on long-range planning, accounts receivable transaction stream details and cash flow analysis and FPE.

Mr. Landers asked about the period of supervision and supervisor licensee(s) since her experience with Lithia appears to be with two separate supervisors. Ms. Kurz explained that Mr. Tate remained in a director position with the company after transitioning out of the internal audit department, and has frequently supervised Ms. Bettinger’s work through various projects. Ms. Tate asked if she should abstain from voting for two reasons: she knows Ms. Bettinger and has worked with her in the past and Kristopher Tate, supervisor licensee, is her husband. She noted that she was comfortable voting in favor of Ms. Bettinger’s application, but wanted to understand her ethical obligation. Mr. Steiger indicated that he would accept her decision either way, given that she is no longer employed with Lithia and has no supervisory responsibilities over Ms. Bettinger. Ms. Kurz noted that she would abstain from voting because of her current employment with Lithia.

Mr. Landers asked that better documentation of supervision periods be provided in the future.

COMMITTEE RECOMMENDATION: Approval

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

MOTION PASSED. 6 Ayes, 1 Abstain (Kurz).

3. Brett Davis (Wilberger)

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

Cambia Health Solutions	18 Months	All Competencies
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Mr. Steiger noted that Mr. Wilberger provided four pages of notes prior to the meeting outlining his review of Mr. Davis. Mr. Steiger asked Mr. Brown, supervisor licensee for Mr. Davis, for comments regarding his qualification. Mr. Brown indicated that Mr. Davis has been an outstanding employee and that he has exceeded expectations even though he has been exposed to difficult technical challenges and works with extremely complicated material.

Ms. Quinn asked what was added to Mr. Davis’s normal scope of work and how Cambia structures their program to allow prospective licensees to gain experience. Mr. Brown described the duties assigned to Mr. Davis and said recently requirements were changed at Cambia so that all candidate applicants conduct a competitor analysis, as it is a key area of exposure to the regulator environment.

COMMITTEE RECOMMENDATION: Approval

Mr. Wilberger, via email to Mr. Steiger, moved to find that there is sufficient evidence to make a preliminary finding that Brett Davis has demonstrated the competencies necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 6 Ayes, 1 Abstain (Brown).

B. Deferred Applications

1. Danika Toning/Larson (Brown)

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

Ballantyne Strong, Inc.	13 Months	All Competencies
Kanada Aas and Co PC	3 Months	All Competencies

Mr. Brown noted that Ms. Toning was recently married and she is now Ms. Danika Larson. Mr. Brown provided background on the previous deferral of Ms. Larson’s application, noting that her first narrative was brief and that even though Mr. Peterson hadn’t had an opportunity to provide a thorough review, it was appropriate to defer.

Mr. Brown met with Ms. Larson to explain the expectations regarding documentation for each of the competencies. Based upon their discussion, Ms. Larson provided a revised narrative, which was provided to the QC. He then performed a comprehensive review and reached out to Ms. Larson regarding several concerns.

Mr. Brown discussed his biggest concerns with Ms. Larson’s experience, noting that he felt she had rushed the process. He noted inconsistencies in dates provided for employment supervision, a discrepancy in direct supervision (referring to a boss who was neither of the supervisor licensees listed in her application) and a general sense that she performs fixed-asset responsibilities, without playing a high-level role within her company. He didn’t outline which competencies were met or not met because there were significant deficiencies in several areas.

Mr. Steiger noted that much of the language in her narrative didn’t communicate her actual role given the use of “we” throughout the write-up. Mr. Brown said he had the same feeling, and noted that he felt she supported a senior accountant.

Ms. Quinn asked if Ms. Larson had a good sense of the likely direction to be taken by the QC. Mr. Brown felt like he had done what he could to prepare Ms. Larson, noting that she may not even be able to meet the requirements in her current role and didn’t seem to grasp what the competencies required. Ms. Quinn asked if her supervisor had been involved with the discussions and Mr. Brown replied that Ms. Larson hadn’t expressed an interest in involving her supervisor or asking for additional support.

COMMITTEE RECOMMENDATION: Denial

Mr. Brown moved to find that there is insufficient evidence to demonstrate that Danika Larson (Toning) has achieved competency in the seven core areas necessary for initial licensing per OAR 801-010-0065.

MOTION PASSED. 7 Ayes.

5. NEW BUSINESS

Mr. Steiger deferred elections to the April 27, 2016 meeting.

Mr. Brown asked if there is a process for accepting applications for the Qualifications Committee as two members have terms expiring in May 2016. Mr. Steiger said applications could be submitted at any time. Ms. Fast suggested that anyone interested in serving on the QC could contact staff to obtain information about the QC and the process. Mr. Brown asked if there is an interest in maintaining a position or two from the approved MOU programs. With Mr. Brown's term expiring in May 2016, Mr. Steiger noted it would be helpful to have someone with knowledge and perspective of the programs, as well as having the perspective of a licensee from public accounting. Mr. Graham felt like it would be good to find a replacement for Mr. Brown from an MOU program.

6. ADJOURN

The meeting was adjourned at 9:52 a.m.

DRAFT