

IOWA ACCOUNTANCY EXAMINING BOARD  
200 EAST GRAND, SUITE 350 | DES MOINES, IA 50309

OPEN SESSION MINUTES  
BOARD MEETING  
May 11, 2016  
10:00 a.m.

**Board members present for all or part of the meeting:**

|                    |                             |                  |
|--------------------|-----------------------------|------------------|
| Cheryl M. Critelli | Dirk Dixon                  | Dale Leibfried   |
| Shelley Laracuate  | Ying Sa                     | Robert Snodgrass |
| Tom R. Thompson    | Laura Walker, via telephone |                  |

**Board members absent:**

None

**Staff Present:**

|   |                                    |
|---|------------------------------------|
| Robert Lampe, Executive Officer         | Brandy March, Licensing Specialist |
| Luke Dawson, Assistant Attorney General | Lori SchraderBachar, Site Manager  |

**Public Present:**

Douglas Stuyk with Carney Appleby

**Call to Order:**

Laracuate called meeting to order at 10:03 a.m.

Roll Call: Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye, Walker, aye.

Quorum was established.

**Motion by Snodgrass to elect Laracuate as chair and Leibfried as vice chair.**

Seconded by Critelli.

VOTE: Aye: all      Nay: None      Abstaining: none

Motion passed unanimously.

Board members were directed to use the updated green agenda. Rolling Review of Rules-Vote to Notice Changes include chapter 2 & 9 of 193A only, not chapter 4.

**Motion by Thompson to approve the December 9, 2015 open session minutes, December 9, 2015 closed session minutes, December 18, 2015 open session minutes, December 18, 2015 closed session minutes, and February 11, 2016 open session minutes.**

Seconded by Critelli.

VOTE: Aye: all      Nay: None      Abstaining: none

Motion passed unanimously.

**Chair Comments** – Laracuente thanked Walker for her past service as Board Chair and thanked the Board for voting her, as a public member, to Board Chair. Laracuente introduced Dirk Dixon, new Board member.

Dixon is a CPA and an enrolled agent who went to Grandview University. Dixon comes from a family of CPAs and lives in West Des Moines, IA. Dixon was previously the Vice President of the Accountancy Association of Iowa.

**Site Manager Comments** – SchraderBachar requested that the Board provide feedback during a future Board Meeting or directly to her via email as to items that the Professional Licensing Bureau (PLB) can do better and things that PLB could do in the future to provide better service to the Board.

**Executive Officer Comments** –Lampe congratulated Sa on receiving the SBA minority Small Business Champion of the Year award during the Iowa Small Business Week Awards.

**Assistant Attorney General Comments** –Dawson provided a case law update pertaining to the open meetings law of 2015. Dawson warned Board Members to not communicate views or hold public discussion outside of an open meeting whether or not they met through a proxy or agent as this would be a violation of the open meeting law as described by the Board of Supervisors of Warren County.

**Public Comment** – Douglas Stuyk with Carney Appleby commented during the SSB 3135 discussion.

Reminder to the Board that a hearing will take place at 1:30 today. The Administrative Judge will set the stage for the hearing. Legal copies of documents for the hearing will be provided during the hearing once it has been admitted.

**NASBA**—Lampe gave an update on the March 15-17, 2016 Annual Executive Director meeting in Tucson, AZ in conjunction with the Annual Legal Counsel Meeting. Highlights from the conference include: discussion on regulating tax preparers, (4 states currently participate) Iowa did not move forward with legislation; discussion on enhancing peer review quality and administration as well as building diversity in the profession; session on leadership training and engaging the Board, presentation by Dan Dustin of NASBA on CPE standards with a focus on how nano learning, will fit into the CPE standards; session on CGMA initiative and designation.

Board held a brief discussion on impact of Iowa firms or licensees taking on clients who live in a State where certain acts are deemed criminal in Iowa but not in the client's state (such as marijuana sales). Dawson stated that there have not been criminal cases against CPAs who do audit services; however, civil claims for illegal conspiracy are possible; three states (WA, CO, FL) provide guidance to CPAs and consider it to be a business risk but not a violation of ethical standards/rules.

**Motion by Thompson to approve sending Lampe and Laracuente to the June 22-24, 2016 NASBA Regional Meeting in Denver, Colorado if it fits into their schedule.**

Seconded by Snodgrass.

Motion passed.

**Motion by Thompson to approve sending board members serving on NASBA committees to attend NASBA committee meetings from May 11, 2016 through April 30, 2017.**

Seconded by Critelli.

Motion passed.

Board Members and staff were reminded that written reports must be provided when traveling for Board purposes.

**4<sup>th</sup> Quarter 2015 and 1<sup>st</sup> Quarter 2016 Exam Report** – Lampe provided exam comparisons for average score, age, Iowa residents, pass rates, etc. between FY2015 and FY2016. Total number of active CPAs and LPAs as of May 11, 2016 is 4,713.

**Old Business –**

**AICPA Code of Professional Conduct Revision/Ethics Committee Update (Leibfried) – June 29 Presentation**

Leibfried, with help from Dixon, will provide a detailed report at the June 2016 Board Meeting which will include a list of differences. Discussion was held on adoption of AICPA rule changes and whether they should be static or dynamic. Dawson will determine this and respond at the next Board meeting. SchraderBachar reminded the Board that they are to protect the safety of Iowans and do not maintain the same focus as the associations.

**Rolling Review of Rules – Vote to Notice changes to 193A, Chapters 2 & 9**

Discussion was held on changes needed to the Administrative Rules. Two changes were proposed for Chapter 2 and 9; 2.1 is housekeeping only and updates the Board address, 9.5 will remove the strikethrough portion and will be replaced with the underlined section. It was noted that the word “or” prior to Australian should be removed. Walker anticipates changes from Iowa Society and other Chapters to get noticed soon and requests input at the June Board meeting. Walker stated the AICPA changes pertaining to the allowance of the international exam in lieu of the AICPA exam will broaden this applicant pool and create consistency with other States.

**Motion by Critelli to notice rule changes for Iowa Administrative Code 193A Chapters 2 and 9.**

Seconded by Dixon.

VOTE: Aye: all                      Nay: None                      Abstaining: none

Motion passed.

**New Business –**

**SSB 3135 Requiring Professional Licensing of Tax Preparers**

Lampe stated Banking Bureau completed a fiscal impact statement for the SSB 3135 and that the AICPA was not supportive of the national initiative. SSB 3135 originated from Chairperson Danielson of the Proposed Committee on State Government.

Stuyk, of Carney Appleby, stated SSB3135 originated on behalf of Accountants Association of Iowa and was intended to require individuals who perform tax preparation (such as car lots) to hold certification while it would not govern individual preparing tax statement for themselves. Stuyk stated the bill was immediately entered into legislation late in the session without going through reviews or amendments. According to Stuyk, without the bill, there is no way to know how many individuals would need to obtain certification. Lampe and Dawson stated that if the bill were to pass, Legislation could create a new Board or amend the articles of the Accountancy Board. It is uncertain if the bill will be entered into Legislation session next year.

Vote to Recommend Marianne Mickelson for NASBA Director-at-Large

Lampe stated the letter in the Board member packet would be sent once approved by the Board.

**Motion by Snodgrass to recommend Marianne Mickelson for NASBA Director-at-Large.**

Seconded by Leibfried.

VOTE: Aye: all           Nay: None           Abstaining: none

Motion passed.

Vote to Adopt, ARC 2456C, Amendments to IAC193

SchraderBachar reported that during the public hearing on April 5, 2016 no comments were made.

**Motion by Leibfried to adopt rule changes for ARC 2456C, Amendments to Iowa Administrative Code 193.**

Seconded by Critelli.

VOTE: Aye: all           Nay: None           Abstaining: none

Motion passed.

Discuss/select new date for August meeting

Lampe requested and the Board agreed to move the August Board meeting to August 31, 2016 at 10:00 a.m.

AICPA Proposed Evolution of Peer Review

Thompson requested that if Iowa were to discover the origination of discipline cases where peer reviews were completed by the same company that these should be passed along to Illinois. The Board was instructed to offer any recommendations to Lampe for feedback to NASBA by May 20, 2016.

**Discipline Committee Report and Recommendations –**

**Motion made by Thompson for the Board to go into closed session pursuant to Iowa Code Section 21.5(1)(a) and (d).**

Seconded by Sa.

Roll Call – Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

Motion passed unanimously.

The Board entered into closed session at 12:11 p.m. and arose there from at 12:27 p.m.

**Motion made by Critelli to return to open session.**

Seconded by Thompson.

Roll Call – Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

Motion passed unanimously.

The Board entered into closed session at 12:11 p.m. and arose there from at 12:27 p.m.

**Motion by Thompson Seconded by Critelli to approve recommendations of the Discipline Committee in case 14-08.**

Roll Call - Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

**Motion passed unanimously.**

**Motion by Snodgrass, Seconded by Dixon, to close cases 14-21, 15-40, 16-01, 16-02, 16-05, 16-08, and 16-09.**

Roll Call - Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

**Motion passed unanimously.**

**Motion by Dixon, Seconded by Critelli, to close case 16-07- Thompson recused himself**

Roll Call - Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Walker, aye.

**Motion passed unanimously.**

**Motion by Thompson, Seconded by Critelli, to sign consent order in case 15-11, 15-41.**

Roll Call - Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

**Motion passed unanimously.**

**Motion by Leibfried, Seconded by Critelli, to find probable cause in cases 15-49, 16-03 and 16-11.**

Roll Call - Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

**Motion passed unanimously.**

**Motion by Snodgrass, Seconded by Critelli, to amend motions to sign consent order in cases 15-11 and 15-41 to state Laracuate authorizes Lampe to sign on behalf of the chair if necessary.**

Roll Call - Critelli, aye; Dixon, aye; Leibfried, aye; Sa, aye; Snodgrass, aye; Thompson, aye; Walker, aye.

**Motion passed unanimously.**

**Adjourn** – Laracuate adjourned the meeting at 12:34 p.m.

These minutes accurately reflect the minutes approved by the Board at the meeting on:

6-29-16

DATE

Shelly Laracuate

BY: Chair