

MEETING MINUTES
North Dakota State Board of Accountancy
December 14, 2020, 11:00 AM
Via Conference Call

The meeting was called to order by President Michael Schmitz at 11:03 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President
Patrick Kautzman, Secretary
Laura Adair, Board Member
Sheri Erickson, Board Member
David Holt, Board Member

Mandy Harlow, Executive Director
Pene DeMaster, Board Staff
Tara B. Brandner, Assistant Attorney General

1. **Call to Order** – 11:03 am
2. **Special Exam Requests** – Motion to deny credit extension, NTS and refund requests: Klemetson, Shittu, Chen, Thanvi, Balasubramanian, Benassila, Gangar, Jain, Pallen [Motion: Adair; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Kautzman (y), Adair (y), Erickson (y) Holt (y),]
Motion to approve credit extension, NTS and refund requests: Lin, Dak, Xing, Qin, Aleem, [Motion: Kautzman; 2nd Holt; unanimous]. [Roll call: Schmitz (y), Kautzman (y), Adair (y), Erickson (y) Holt (y),]
3. **Disciplinary Follow Up and Requests** CPE reporting, completion and collection of fees is complete except Tim Lord and Dibyalochan Ojha. They are asking for their fines to be waived or reduced. Board denied request for reduced or waived CPE fines – No motion needed per AAG Brandner.
4. **Reinstatement Requests** – Motion to approve reinstatement requests for Mark Heier, Everton Trotman, Joline Hughes and Accounting Solutions (Firm) [Motion: Erickson; 2nd Holt; unanimous]. [Roll call: Schmitz (y), Kautzman (y), Adair (y), Erickson (y) Holt (y),]
5. **Software Proposal** Tabled until next meeting to obtain RFP's.
6. **ADJOURN** 12:05

Secretary

Date

MEETING MINUTES
North Dakota State Board of Accountancy
October 22, 2020, 11:00 AM
Via Conference Call

The meeting was called to order by President Michael Schmitz at 11:02 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President	Mandy Harlow, Executive Director
Patrick Kautzman, Secretary	Pene DeMaster, Board Staff
Laura Adair, Board Member	Tara B. Brandner, Assistant Attorney General
Sheri Erickson, Board Member	
David Holt, Board Member	

1. **New Board Member** - President Michael Schmitz welcomed David Holt to the board. Board Members Patrick Kautzman, Laura Adair, and Sheri Erickson introduced themselves to David.
2. **Minutes** - Motion to approve July 28, 2020 minutes [Motion: Kautzman; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Holt (abstained), Kautzman (y), Adair (y), Erickson (y)]
3. **Financial Report** – Approve disbursements: (July 1 – September 30) [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]
Financial oversight update. Patrick Kautzman reported no discrepancies with the financial statements provided by office staff. He also reported on a payroll tax issue with IRS. He is helping staff through the issue and does not expect any fees or penalties on the issue. Mandy Harlow reported North Dakota State Board of Accountancy moved accounts to Affinipay from Heartland credit card processing.
4. **2019 Audit** – Widmer Roel, PC was the only firm to submit a proposal. There was discussion on fairness of price quoted and qualifications to perform the audit. All members agreed the prices was fair and the firm had the qualifications to perform the audit. Motion to approve Widmer Roel, PC as the new audit firm for the North Dakota State Board of Accountancy. [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]
5. **Service Awards** AG Brandner presented the HRMS Administrative rules for service awards to the board members. AG Brandner suggested the North Dakota State Board of Accountancy could adopt HRMS Administrative rules for service awards or create their own policy. Motion to adopt HRMS Administrative rules for service awards [Motion: Kautzman; 2nd Holt; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]
6. **Peer Review** – Mandy Harlow reported on firms that had a pass with deficiency or fail on their recent peer review reports. Typically, letters are sent this time of year to firms awarded a pass with deficiency or fail on their peer review report to let them know the board is aware of their report grade. Letters will go out early November to such firms. No further action needed.
7. **OTHER BUSINESS**
 - a. **Reinstatements and Ratify Firm Reinstatements-** Motion to reinstate the following pending their background checks clear and to ratify firm reinstatements Rick Darvis, Vi Mai, Shailandra Kumar, Luann Kramer, Thomas Alvarez, Michael DeWall, Jeffrey G. Johnson Saad Sultan, Ryan Messer, Stephanie Mathews, Cheng Xiao and Account Tally – Michelle Bredell [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]
 - b. **Special application issues** - None
 - c. **Exam Applications** - Ratify: Motion to approve exam applications July 28, 2020 to October 19, 2020. [Motion: Adair; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]

- d. **New Licensees** - Ratify: Motion to approve new licensees July 28, 2020 to October 19, 2020 [Motion: Erickson; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]
- e. **Miscellaneous** –
 CPE Reporting: motion to allow the submission CPE up to October 21, 2020 [Motion: Adair; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]
 Motion to administer a fine of \$500 and deadline of November 30, 2020 to complete their CPE requirements for those who did not report CPE by October 21, 2020.

Providing Services to the Marijuana Industry: Tabled until next meeting. Mandy will send a letter letting the CPA know the board is preparing a response.

8. **2021 Meeting Dates** – January 28 9:00 am, April 22 9:00 am, July 22 9:00 am, October 28 9:00 am

9. COMPLAINTS

Investigations – Executive Session N.D.C.C. 43-02.2-10 INVESTIGATIONS: EXECUTIVE SESSION PURSUANT TO N.D.C.C. 43-02.2-10, the Board recessed at 12:25 PM to Executive Session to discuss complaints. Public members were asked to leave the call. Motion to move to executive session [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)] The Board reconvened to regular session at 12:55 PM.

Disciplinary Cases – Potential Executive Session N.D.C.C. 44-04-19.1

Existing

2017-10: Motion to send letter the CPA to issue a 2019-2020 license pending the outcome of the supreme court case. [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Holt (y), Kautzman (y), Adair (y), Erickson (y)]

2020-3: AG Brandner reported a letter was sent last week and there was no response as of today.

2020-4: AG Brandner reported a letter was sent last week and there was no response as of today.

2020-6: tabled

2020-7: tabled

10. **ADJOURN** 12:58

 Secretary Date

MEETING MINUTES
North Dakota State Board of Accountancy
July 28, 2020, 11:00 AM
Via Conference Call

1. The meeting was called to order by President Michael Schmitz at 11:04 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President	Mandy Harlow, Executive Director
Faye Miller, Secretary	Pene DeMaster, Board Staff
Laura Adair, Board Member	Tara B. Brandner, Assistant Attorney General
Patrick Kautzman, Board Member	
Sheri Erickson, Board Member	

2. OFFICER SELECTION Faye Miller nominated Michael Schmitz for president and Patrick Kautzman for secretary [Motion: Miller; 2nd Laura; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
3. Complaints – Solicitor general Shesveen:
Motion to go into executive session 11:17 [Motion: Schmitz; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
4. Executive session 11:28 adjourned
5. Motion to appeal matter to supreme court case 2017-10- [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
6. NEW BOARD MEMBER: The Governor has not yet appointed a member to approve.
7. MINUTES (April 28, 2020, June 9, 2020)
The minutes from April 28, 2020 and June 9, 2020 were moved for approval with amendments. [Motion: Adair; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
8. FINANCIAL REPORT (April 1-June 30)
 - a. Approve disbursements: (April 1-June 30) Motion to approve disbursements with amendment of voided check 1710 to be listed on the expense approval spreadsheet.
 - b. Financial oversight update (Secretary) Faye Miller, Secretary approved the current financial statements. Faye mentioned there was a penalty from the IRS \$40 for not changing bank accounts in the IRS EFTPS site.
 - c. Budget Amendments: Mandy brought budget amendments to the board for review and approval. Salaries and payroll tax were adjusted due to raises given. Faye commented that the travel expense line may be high due to no travel in 2020 and a reimbursement for AAG Bradner’s travel by NASBA. AAG Bradner is eligible for a scholarship for Travel through NASBA. Mike recommends removing those items from this year’s budget but warns that NDSBA will have those expenses in the future. Motion to accept budget amendments with adjustments. [Motion: Kautzman; 2nd Miller; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

Audit: Mandy updated the board. An employee of Brady Martz is up for a board appointment. If Brady Martz begins NDSBA’s audit and that member is appointed Brady Martz would not be able to complete the audit. NDSBA will wait to see who the governor will appoint as new board member. If the member is appointed, NDSBA will find a new audit firm. Mandy will let Brady Martz know we are waiting.

9. COVID Update

Ratify 12/31 NTS and Credit Extensions all valid NTS and credits that were set to expire between April 1, 2020 and December 30, 2020 were granted and extension to December 31, 2020 [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

10. CPE Completion and Fines- See #13. Disciplinary cases.

11. UAA proposed changes were not adopted word for word. Mandy will send a copy of draft to board members. The changes should not impact the North Dakota State Board of Accountancy. Mandy reported societies and State Boards across country are getting together to provide comments to NASBA. Faye recommends issuing a letter of support. Mandy will draft letter.

12. OTHER BUSINESS

- a. Reinstatements Anne Allen, Max Andadon, Wen Jiang, Mark Jones Sanchita Patnaik Karla Stone Motion to reinstate [Motion: Miller; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- d. Exam Accommodation Angelita Balintona requesting 50% more time in her exam. Motion to approve [Motion: Kautzman; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- e. Exam Applications- Ratify: Motion to approve exam applications April 18, 2020 through July 27, 2020.
- f. New Licensees- Ratify: Motion to approve new licensees April 18, 2020 to July 27, 2020 [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

Miscellaneous – continuous testing began July 1. North Dakota doesn't see any issues with availability to obtain a seat.

Break 12:10

Reconvened 12:20

Motion to move to executive session 12:20 [Motion: Erickson; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

13. COMPLAINTS

- a. Investigations – Executive Session N.D.C.C. 43-02.2-10 INVESTIGATIONS: EXECUTIVE SESSION PURSUANT TO N.D.C.C. 43-02.2-10, the Board recessed at 12:20 PM to Executive Session to discuss complaints. Public members were asked to leave the call. The Board reconvened to regular session at 12:37 PM.

Disciplinary Cases –

Existing

2017-10: entered above

2020-3: Tabled

2020-4: Tabled

2018-4: over the past few weeks NDSBA received a few calls from IRS and law enforcement

New

2020-5: Motion to close with no action no grounds for disciplinary action [Motion: Kautzman; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

2020-6: tabled

2020-7 tabled

14. ADJOURN 12:39

Secretary

Date

MEETING MINUTES
North Dakota State Board of Accountancy
June 9, 2020, 10:00 AM
Via Microsoft Teams

1. The meeting was called to order by President Michael Schmitz at 10:10 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President	Mandy Harlow, Executive Director
Faye Miller, Secretary	Tara B. Brandner, Assistant Attorney General
Laura Adair, Board Member	
Patrick Kautzman, Board Member	
Sheri Erickson, Board Member	

2. PERFORMANCE EVALUATIONS and STAFF COMPENSATION: The Board discussed performance reviews done by the Board, staff and AAG Brandner. Based on discussion, staff compensation was set at the following as of July 1, 2020

Mandy Harlow, Executive Director-\$62,000.00

Pene DeMaster, Licensing Manager-\$46,000.00

3. COMPLAINTS

- a. INVESTIGATIONS: EXECUTIVE SESSION PURSUANT TO N.D.C.C. 43-02.2-10, the Board recessed at 10:39 AM to Executive Session to discuss complaints. The Board reconvened to regular session at 10:56 AM.

The Board reviewed a possible settlement agreement offer. Motion made to deny settlement offer. [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

4. NEXT MEETING: Due to COVID-19, the meeting was moved via Microsoft Teams.
5. Adjourn 11:00 am.

Secretary Date

MEETING MINUTES
North Dakota State Board of Accountancy
April 28, 2020, 11:00 AM
Via Conference Call

1. The meeting was called to order by President Michael Schmitz at 11:00 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President	Mandy Harlow, Executive Director
Faye Miller, Secretary	Pene DeMaster, Board Staff
Laura Adair, Board Member	Tara B. Brandner, Assistant Attorney General
Patrick Kautzman, Board Member	
Sheri Erickson, Board Member	

2. REVIEW AND APPROVAL OF MINUTES:

The minutes from January 28, 2020, February 18, 2020, and March 24, 2020 were moved for approval with amendments. [Motion: Miller; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

3. FINANCIAL REPORT:

- a. DISBURSEMENT APPROVAL: January 1-March 31. Motion to approve disbursements [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- b. FINANCIAL OVERSIGHT UPDATE: Faye Miller, Secretary approved the current financial statements. Bremer account open now and using it, and the US Bank account closed last week. [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- c. BUDGET: Mandy brought a proposed budget to the board for review and approval. Motion to accept budget as is. [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

4. PERFORMANCE EVALUATIONS:

Pene and Mandy sent performance evaluations of each other to the Board for review. The Board will conduct an evaluation of Mandy and discuss at a special meeting closer to June.

5. COVID-19

- a. Update CPA Exam: Fargo and Grand Forks Prometric sites will open for testing as of May 1. These centers have room for social distancing. The board considered extensions of NTS and test credit once testing commences.
- b. Executive Orders: Executive order 2020-07 is mainly applicable to health care and behavior care not the Board of Accountancy. Sherre Sattler and Clarence Sitter of the ND CPA Society ask the Board to consider relaxing licensing renewals this season by keeping the form deadline same as CPE deadline. The deadline to submit requests passed March 24, 2020.
- c. CPE: The question brought to the board was, is there any talk of COVID-19 webcasts on legislation, tax changes, etc. being qualified for CPE? AAG Brandner does not believe the board has the right to allow the webcasts that do not meet requirements set forth by the board to qualify as CPE.

6. CPE

- a. CPE Audit:
 - i. Patrick- 2020-3 He wishes to relinquish his license as he is short 2.5 credits claimed. Moved to disciplinary actions.
 - ii. Laura- 2020-4 He cannot obtain CPE certificates for several courses taken moved to disciplinary actions
 - iii. Faye- not complete

- b. Sheri accreditation count as CPE? – No discussion.

7. OTHER BUSINESS

- a. EMPLOYEE POLICY MANUAL: Tabled
- b. Reinstatements: Cho Wo Lam- INVRL Motion to reinstate [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- c. Special application issues: Wyatt Erickson appealed to the board to gain credit for course taken as Management Information Systems internship to count toward Accounting credits required on the CPA application. Motion to allow Wyatt Erickson’s internship credits to count provided he submits proof of the internship to the board and duties performed. [Motion: Kautzman; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- d. Exam Applications- Ratify: Motion to approve exam applications January 25, 2020 through April 17, 2020. [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- e. New Licensees- Ratify: Motion to approve new licensees [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- f. MISCELLANEOUS: The switch from US Bank account to Bremer Bank account is now complete. The US Bank Account is now closed. The Bremer account will help facilitate an online portal for exam application fees.

8. COMPLAINTS

- a. INVESTIGATIONS: EXECUTIVE SESSION PURSUANT TO N.D.C.C. 43-02.2-10, the Board recessed at 12:56 PM to Executive Session to discuss complaints. Public members were asked to leave the call. The Board reconvened to regular session at 1:22 PM.
- b. DISCIPLINARY CASES:
 - i. 2017-10: No Action taken
 - ii. 2019-9 Did not pay the \$1000.00 fee to board. It would not be cost effective to take legal action. Office staff will send another letter to remind him that fine needs to be paid and inform Florida Board of Accountancy that he is holding out without a license in FL. [Motion: Erickson; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - iii. 2019-10 Completed CPE but did not pay the fine. Motion to offer to reduce fee to \$250.00 [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - iv. 2020-3 CPE audit: He wishes to relinquish his license as he is short 2.5 credits claimed. – Motion to fine \$1000.00 and complete CPE within two weeks of notification. [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - v. 2020-4 CPE audit: He cannot obtain CPE certificates for several courses taken. Motion to fine \$1000.00 and complete minimum requirement CPE (18 hrs) or provide proof of prior CPE claimed within two weeks of notification [Motion: Adair; 2nd Miller; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

- 9. Adjourn 1:35 pm.

Secretary

Date

MEETING MINUTES
North Dakota State Board of Accountancy
March 24, 2020, 10:00 AM
Via Conference Call

1. The meeting was called to order by President Michael Schmitz at 10:00 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President	Mandy Harlow, Executive Director
Faye Miller, Secretary	Pene DeMaster, Board Staff
Patrick Kautzman, Board Member	Tara B. Brandner, Assistant Attorney General
Laura Adair, Board Member	
Sheri Erickson, Board Member	

2. COVID-19 Test Credit/NTS Extensions Exam Credit Extensions: NASBA recommends 90-day extensions for all CPA Exam Candidates. Motion to allow NASBA to grant 90-day test credit extensions on North Dakota State Board of Accountancy's behalf. [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

COVID-19 NTS Extensions

AAG Brandner advised the board to ratify previous decision to allow NASBA to grant NTS extensions to September 30, 2020.[Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

COVID-19 2020 Licensure Renewals

CPE Extensions – AAG Brandner advised the board they do not have the authority to extend license renewal dates per NDSBA law. The CPA registration form and fee are due June 30, 2020. The board does have the authority to extend the deadline to complete and report CPE.

Motion to grant an extension on CPE reporting to September 30, 2020. The registration form and fee are still due by June 30, 2020 [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

5. Case Update: 2017-9 Sheri Erickson moved to go into executive session. Laura Adair second. The board moved into executive session at 10:25 am

[Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

Attorney-client consultation. AAG Brandner reported CPA's attorney appealing ALJ decision to give NDSBA authority to revoke CPA's license. Lawsuit is pending against NDSBA for failing to allow the CPA a hearing. The CPA is appealing the board's decision to revoke.

Erickson wondering if her appeal puts her revocation on hold? She may still be practicing. Tara will look into it. She thinks it is revoked but will research and get back to board.

The board came out of executive session 10:30 am

6. Meeting Scheduling

Conference Call- The April 28, 2020 board meeting will be moved to a conference call due to COVID-19 restrictions.

7. Adjourn 10:31am.

Secretary

Date

MEETING MINUTES
North Dakota State Board of Accountancy
February 18, 2020, 10:00 AM
Via Conference Call

1. The meeting was called to order by President Michael Schmitz at 10:00 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE

Mike Schmitz, President	Mandy Harlow, Executive Director
Faye Miller, Secretary	Pene DeMaster, Board Staff
Laura Adair, Board Member	Tara B. Brandner, Assistant Attorney General
Patrick Kautzman, Board Member	
Sherri Erickson, Board Member	

2. ADMINISTRATIVE LAW JUDGE (ALJ) SUMMARY JUDGEMENT COMPLETED: The North Dakota State Board of Accountancy requested a summary judgement opinion on Rene Johnson as to whether the Board has the authority to revoke Rene Johnson's North Dakota CPA license based on her current felony conviction. Rene Johnson is currently appealing the felony conviction. The ALJ has completed the summary judgement opinion that the board does have the authority under its law to revoke Rene Johnson's North Dakota CPA license based on her current felony conviction.

Motion to accept ALJ's recommendation to revoke Rene Johnson's North Dakota CPA license [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

12. Adjourn 10:04am.

Secretary

Date

MEETING MINUTES
North Dakota State Board of Accountancy
January 28, 2020, 11:00 AM
Office of Schmitz-Holmstrom CPA

1. The meeting was called to order by President Michael Schmitz at 11:00 am.

BOARD MEMBERS AND ADMINISTRATIVE STAFF ATTENDANCE
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Mike Schmitz, President	Mandy Harlow, Executive Director
Faye Miller, Secretary	Pene DeMaster, Board Staff
Laura Adair, Board Member	Tara B. Brandner, Assistant Attorney General
Patrick Kautzman, Board Member	
Sherri Erickson, Board Member	

2. REQUEST TO SPEAK: Mark Larson, CPA, requested an opportunity to present various concerns to the Board. The Board provided Mr. Larson the opportunity to discuss his concerns and took the concerns under advisement.
3. REVIEW AND APPROVAL OF MINUTES:
The minutes from August 1, 2019, October 17, 2019, and November 5, 2019 were moved for approval. [Motion: Erickson; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
4. FINANCIAL REPORT:
 - a. DISBURSEMENT APPROVAL: September 1-December 31. Motion to approve disbursements [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - b. FINANCIAL OVERSIGHT UPDATE: Faye Miller Secretary approved the current financial statements.
 - c. 2018 AUDIT: Audit restatement required due to 2018 year end OPEB liability not being required recorded. New audit firm caught error. Old firm restated and issued new report. Mike reviewed statements and approved. Motion to approve 2018 re-stated audit [Motion: Miller; 2nd; Erickson]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - d. 2019 AUDIT: Motion to approve 2019 Audit [Motion: Miller; 2nd; Erickson]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - e. CHANGE OF FINANCIAL INSTITUTIONS: Mandy updated the board on the status of the change of financial institutions, \$1,000.00 was deposited in the new checking account from the old checking account.
5. PRESENTATIONS:
Open Records and Open Meetings Presentation rescheduled for July 2020 Board Meeting
6. RESPONSE TO ATTORNEY GENERAL'S OFFICE
Attorney General's Office has not issued a formal opinion regarding the alleged violation of open records laws.

7. RULE CHANGE:

The Board recently pursued a rule change regarding continuous testing and continuing education requirements. As of January 1, 2020, the new rule is effective.

8. FUTURE STATE BOARD APPOINTMENTS:

Pursuant to N.D.C.C. 43-02.2-03, the Board is required to submit at least three nominees to the Governor to fill vacant positions on the Board. The term of Board Member Faye Miller ends on June 30, 2020. As a result, the Board must provide the Governor a list of at least three nominees to fill the vacancy. The Board sought applications from CPAs from across the State of North Dakota. Individuals who indicated interest in filling the vacant position included: Don Morgan, Marci Schorsch, Terry Delaney, David Holt, and Craig Hashbarger.

A discussion was held regarding the qualifications and skills required to be an effective member of the board. Erickson recommended the list of individuals include those with attestation experience. The Board also uses Brady Martz and Associates as its audit firm. As a result, discussion also related to having a member of the firm serve on the Board and the need to potentially select a new audit firm.

Motion to submit the following names to the Governor to fill the upcoming vacancy on the Board: Terry Delaney, David Holt, and Craig Hashbarger. During the discussion, Miller recommended submitting all five candidates as nominees, not simply those with attestation experience. [Motion: Kautzman; 2nd Erickson;]. [Roll call: Schmitz (y), Miller (n), Kautzman (y), Adair (y), Erickson (y)]

9. CPE

a. COMPLETION AND FINES FOLLOW-UP: Items moved to Complaints.

b. 2019 CPE AUDIT:

i. ERICKSON: Randall Nelson didn't provide verification for eleven (11) credits, however, he has enough credits to be in compliance. Pene will offer Nelson the ability to provide verification for the eleven credits or reduce his total hours by the eleven.

ii. MILLER: Questioned whether a Dave Ramsey Course complete as a self-study meets the statutory requirements. The Board determined in this instance the course did not meet the statutory requirements as the individual did not possess any documentation.

iii. ADAIR:

1. Melinda Wenko took same class twice and as a result the credits for the second completion should be removed from her CPE total.

2. Howard Fulks does not have the ability to confirm the majority of his CPE attendance, only two hours have the appropriate verification. Pene will reach out to Fulks to discuss the need to provide verification in compliance with the law.

iv. KAUTZMAN: S

1. Scott Modine needs to provide verification for his thirteen (13) credits, this was confirmed.

2. Hoffman overstated hours by .5 according to report.

v. The Board approved all the remaining reports that were reviewed, except those specifically identified above. [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

c. MULTI-USERS FOR WEBINARS: The Board discussed whether multiple users could claim CPE for the same webinar when only one license was purchased. The Board did not make any decisions regarding this matter.

10. CANDIDATES AND LICENSEES

- a. REINSTATEMENTS: Motion to reinstate Wayne Bradley and Xiaoqi Zhao. [Motion: Kautzman; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- b. SPECIAL REQUESTS: None.
- c. APPLICATION AND LICENSEE FEES: In the past the Board has returned application fees for individuals who have not been granted a license. The Board also didn't require applicants to pay a fee during their first year of licensure. AAG Brandner recommended the Board no longer return application fees and require individuals to pay a licensure fee as required by law. [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- d. EXAM APPLICATIONS: Approval and Denial move to ratify Mandy approving applications and new licensees and bringing forth approvals to the board for review and approval [Motion: Miller; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- e. NEW LICENSEES: Approval and Denial move to ratify Mandy approving applications and new licensees and bringing forth approvals to the board for review and approval [Motion: Miller; 2nd Erickson; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]

11. OTHER BUSINESS

- a. EMPLOYEE POLICY MANUAL: AAG Brandner will review employee policy manual and provide recommendations to the Board at a future date.
- b. INACTIVE STATUS: The Board discussed the requirements for inactive status and potential changes to the North Dakota Administrative Code.
- c. MILITARY DISCLAIMER: Last legislative session language was added to N.D.C.C. 43-51 provide for licensure portability for military spouses. The language also required Boards' collect information regarding whether applicants are members of the military or military spouses. The Board moved to add language consistent with the legislation to its applications. Motion to approve language to add to application [Motion: Miller; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- d. FIRM OWNERSHIP: Minority owners of a firm practicing public accountancy must be an individual, which means a human being. As a result, an ESOP or a corporate entity cannot be a minority owner of a public accountancy firm.
- e. WEBSITE UPDATE: Pene updated the Board on the status of the new website. She was notified by ITD the website was ready to go live and they will contact her within the week reading the specific go live date.
- f. MISCELLANEOUS: Miller brought forth NASBA focus questions. Mandy will email questions to board individually. Mandy will collect answers and reply to NASBA for the board. Miller also encouraged AAG Brandner to apply for a scholarship for the NASBA Legal Counsel Seminar.

12. COMPLAINTS

- a. INVESTIGATIONS: EXECUTIVE SESSION PURSUANT TO N.D.C.C. 43-02.2-10, the Board recessed at 12:59 PM to Executive Session to discuss complaints. Public members were asked to leave the room. The Board reconvened to regular session at 1:10 PM. The Board moved to dismiss the two complaints discussed in executive session.
 - i. 2020-1 motion to dismiss [Motion: Erickson; 2nd Kautzman; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
 - ii. 2020-2 Motion to dismiss [Motion: Erickson; 2nd Adair; unanimous]. [Roll call: Schmitz (y), Miller (y), Kautzman (y), Adair (y), Erickson (y)]
- b. DISCIPLINARY CASES:
 - i. 2017-10: Still in ALJ process
 - ii. 2019-6 He has engagement letter signed for peer review. Mandy will ask for peer review report.

