

PRESENT: Pete Hoistad, Mike Schmitz, Faye Miller, Patrick Kautzman, Laura Adair, Jim Abbott, Mandy Harlow.

MINUTES (12/8/2017): Approved [Motion: Pete; 2nd: Faye; carried].

FINANCIALS (12/8/2017): Pete reported on an overdraft situation. Reports and disbursements were accepted [Motion: Patrick; 2nd: Faye; carried].

RULE CHANGES

The Board had received AG approval and the rules have been submitted to Legislative Council. We are on the March 12 Rules Committee agenda. This Rules Committee session will include the NC Dental case study.

FUTURE PLANNING

- a. The group decided on the wording of a position announcement. They agreed to post it at Job Service, NASBA, NDCPAS, Indeed, and NDANO, State HR /ND.gov, NDSBA website. Staff can use its judgment on fees to spend on ad placement. The group Agreed on the ED job description, with changing “CEO” to “ED”. The licensing coordinator will be decided on once the ED decision is made. Salary range was not decided on at this time; Faye was willing to do some research.
- b. There was no objection to a 9/30 payroll split date. We will proceed with the proposed recruiting calendar. [Motion: Laura; 2nd: Pete; carried]. There was no objection to the proposed equipment split. Jim will check into a different phone system option.
- c. Scanning plans will be revised – aiming for minimum retention and scanning, assessing whether staff can fit in the related work, whether SSN proof is needed, asking a document-requiring state if our recorded scores would suffice, possibly saving Grade Transfer ethics scores. We will ask NASBA for recommendations on retention, as well as a few other states about their retention practices.
- d. Two office spaces are on the table; Jim will obtain precise costs for both. When this information is available the Board will have a special phone meeting.

OTHER BUSINESS

- a. Mandy reported on the CPE audit. There was one audit in question; the Board wants more information of proof of purchase and prior CPE.
- b. Mandy reported the results of her PTIN list research. No action needed.
- c. Mike will call Steve Britsch to request Society acknowledgment of its potential pension liability. [Motion: Patrick; 2nd: Pete; carried].

COMPLAINTS

2017-13 was closed [Motion: Patrick; 2nd: Faye; carried, with Pete abstaining].

2017-4 was closed [Motion: Pete; 2nd: Patrick; carried]

2017-10 is pending.

2017-5. The accountant has completed the CPE requirement.

Jim on an advertising case; web changes were made.

Several “unwritten” matters were reviewed by Jim.

Executive Session will be used to discuss open complaints, even if no outside guests are present.

Various complaint process edits were approved [Motion: Pete; 2nd: Laura; carried].

ADJOURNED: 3:50 PM [Motion: Faye; 2nd: Patrick].

Secretary

Date

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 2/26/2018 2 PM

PRESENT: Pete Hoistad, Mike Schmitz, Faye Miller, Patrick Kautzman, Laura Adair, Pene DeMaster, Jim Abbott, Mandy Harlow.

OFFICE LOCATION: Jim reported on 2 office locations. He reported on location, details, and prices of both locations. The group decided to occupy the Riverfront Center. They gave Jim instruction to inquire about a 5 year lease with modest annual inflation increase. May 1, 2018 target move in date. Approved [Motion: Pete; 2nd: Faye; carried].

RECORD RETENTION: Recommendation approved. [Motion: Pete 2nd; Faye; carried]

AUDIT: Questions were asked and answered about the audit. The Board requested the email from the auditor's office in regards to the MD & A, to review prior to approval; Jim will send.

MINUTES: (2/15/2018): We will approve these and today's set of minutes at the next meeting.

ADJOURNED 2:50 PM.

Secretary

Date

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 4/19/2018 10:30AM

PRESENT: Pete Hoistad, Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman (by phone) Jim Abbott, Mandy Harlow.

MINUTES: (2/15/2018): Approved with a few word changes [Motion: Pete; 2nd: Faye; unanimous].
(2/26/2018): Approved [Motion: Pete; 2nd: Faye; unanimous].

FINANCIALS: (3/31/2018): Questions were answered on the financials and disbursements. Reports and disbursements were accepted [Motion: Pete; 2nd: Faye; unanimous].
The audit report was approved [Motion: Pete; 2nd: Faye; unanimous].

RULE CHANGE STATUS: Effective April 1, 2018. The changes have been posted on our website. Also an initial email has gone highlighting the changes. Notification will also go out with the paper renewals. The State Board staff may publish a periodic newsletter; the question of providing only an email version was raised..

FUTURE PLANNING

All the licensee files in the office have been scanned.

Jim reported on the new location. The lease is now with the State for approval.

Discussion on a move date. Until a lease is approved the move date is tabled. A \$3500 budget was approved for the future office set up. [Motion: Faye; 2nd: Pete; unanimous].

OTHER BUSINESS

a. Lori Opdahl was reinstated. [Motion: Pete; 2nd: Laura; unanimous]

b. Jim informed the Board that we have various procedures and that we update them regularly.

c. After review of follow-up from our random CPE audit, the Board agreed to fine a licensee \$800 for not completing his 2017 CPE hours in the allowed time, plus \$200 for claiming a duplicate class in 2015 & 2016, and placing his CPA certificate on probation until 6/30/2019.

COMPLAINTS

2017-10: The Board agreed to suspend the CPA's license until a legal decision is made.

2018-1: Revocation and publication was agreed [Motion: Pete; 2nd: Laura; unanimous].

2018-2: A letter will be issued informing the CPA the Board is aware of the MN disciplinary actions, and we anticipate the next review report. The Board also would like to be kept updated as the CPA completes requirements.

With staff absent, the group discussed the applications for the position of executive director, and selected candidates to be interviewed were selected. The salary ranges were determined for the executive director and licensing coordinator. Faye will do a Doodle poll for possible dates for board member availability for candidate interviews. Mike will follow-up with the candidates for interviews.

ADJOURNED: 2:45

Date

Secretary

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 5/4/18 at 9 am BY PHONE

PRESENT: Pete Hoistad, Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman.

INTERVIEWS

The group visited separately with various candidates for the role of ED.

The group also discussed the pending changes to the Pathway to become a CPA.

Adjourned at approx. 11:50 am

Date

Secretary

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 5/8/18 at 1 pm BY PHONE

PRESENT: Pete Hoistad, Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman.

INTERVIEWS

The group visited separately with various candidates for the role of ED.

The group agreed to invite 2 candidates for finalist interviews.

Adjourned at approx. 3:45 pm

Date

Secretary

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 5/23/18 at 1 pm BY PHONE

PRESENT: Pete Hoistad, Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman.

INTERVIEWS

The group visited separately with two ED finalists.

The group agreed to offer the ED position to Amanda Harlow, at a salary of \$55,000, commencing July 1, 2018 [Motion: Pete Hoistad; 2nd: Patrick Kautzman; role call vote was called and was unanimous.

Adjourned at approx. 3:05 pm

Date

Secretary

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 7/24/2018 10:30AM

PRESENT: Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman, Sheri Erickson, Jim Abbott, Mandy Harlow.

DISCIPLINARY HEARING: Executive Session 10:30. Present Rene Johnson, Irv Nodland, Jack McDonald, Corey Johnson.

OFFICER SELECTION: Mike was selected as President; Faye as secretary [Motion: Patrick; 2nd: Sheri; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

NEW BANK RESOLUTION A Motion was made to authorize signing of bank resolutions adding Faye and Mandy and removing Pete and Jim. [Motion: Sheri; 2nd: Patrick; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

MINUTES: (4/19/2018): Add Patrick by phone [Motion: Patrick; 2nd: Laura; unanimous].

(5/4/2018):

(5/8/2018): Remove extra words "also and"

(5/23/2018):

Motion to accept all 4 sets of minutes with the changes above [Motion: Patrick; 2nd: Faye; unanimous with 1 abstain] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (abstain)]

FINANCIALS: (4/1/2018-6/30/2018): Questions were answered on the financials and disbursements. Reports and disbursements were accepted though there will be auditor changes [Motion: Faye; 2nd: Sheri; unanimous]. [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

Mike reported on the Society's shared pension obligation.

AUDITOR: Overmoe and Nelson submitted a bid of \$3750; they will be used to conduct the 2018 audit [Motion: Faye; 2nd: Patrick; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

2018-2019 BUDGET: With one change to staff travel, staff compensation and budget was approved [Motion: Faye; 2nd: Laura; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

Al Krueger, State Delegate for NSA, introduced himself. He is on the legislative group that monitors State Board activity and legislation dealing with accounting and tax.

OTHER BUSINESS

a. Mandy reported on the new office location, the budget and the move.

b. Policy Manual- Motion to accept as written and to send to the state HR for review. Also review so that Board is not plural throughout. [Motion: Sheri; 2nd: Patrick; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

c. Motion for reinstatement Mark Lunseth [Motion: Patrick; 2nd: Laura; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

d. An extension request for an exam part was denied. [Motion: Faye; 2nd: Sheri; unanimous with 1 abstain] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (abstain), Erickson (y)]

Executive Session:

COMPLAINTS

2018-1. There was no response from the CPA, and their revocation has been processed.

2018-2. Jim suggested a calendar reminder for when the next peer review is received.

2018-3 The hearing was waived and the fine paid. Other measures in the earlier letter will be implemented. Staff will send to the Board proof of CPE.

2018-4. The CPA will be notified of the Board's intent to revoke the certificate in light of their non-response.

Out of Executive Session:

2018-4. The CPA's certificate will be revoked, if there is no response. [Motion: Patrick; 2nd: Laura carried] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)] Jim mentioned another complaint case that was more appropriate for the Board of Cosmetology.

The Board chair will explore legal counsel options.

Jim had additional PCAOB / legal items available for review. Mike will examine the PCAOB report related to the EideBailly firm.

ADJOURNED: 1:58

Secretary

Date

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 10/18/2018 10:30AM

PRESENT: Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman, Sheri Erickson, Jim Abbott, Mandy Harlow, Sherre Sattler and Don Kaspari

MINUTES: (7/24/2018): Motion to accept minutes with changes made to the Executive Session section of the minutes-removing all names. [Motion: Faye; 2nd: Laura; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

FINANCIALS: (7/1/2018-8/31/2018): Motion to accept disbursements [Motion: Patrick; 2nd: Faye; unanimous]. [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

FINANCIAL OVERSIGHT UPDATE: the Secretary/Treasurer will have access to online banking and a read only copy of our bookkeeping package (Sage)

NEW BANK RESOLUTION: Mandy reported that BND has been taken care of. US Bank we just switched to Government Banking and the signatures are being transferred over to Mandy and Faye. In regards to Stiefel a motion to adopt the resolutions provided with all 3 certifications and Stiefel Appendix A. [Motion: Faye; 2nd: Patrick; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

PEER REVIEW RESULTS: Mandy reported that every 3 years on rotation firms must submit a copy of their latest peer review report, and letter of acceptance. Reported were the results of this year's submission. There were 4 firms that had yet to submit paperwork. 1 firm had an extension until 12/2018. Mandy will check in with the firm that was due to be done in September. For the remaining 2 firms the following actions will be taken

1-the Board made a motion stating we request correspondence from the peer reviewer by 11/15/2018 and 12/15/2018 with status updates. [Motion: Patrick; 2nd: Sheri; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

2-The Board made a motion to obtain either a signed cease and desist letter or an engagement letter from a peer reviewer within 10 days of the above request or the firm permit will be revoked.

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

The Board also made a motion for a new policy. Yearly staff will request from all firms with a Pass w/Deficiency rating or a Fail rating their letter of correction and completion.

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

Mike will also check with Jack to see what our restrictions are for publication.

OFFICE UPDATE: Mandy reported on the separation of duties put into place. A listing of checks will go out to the secretary/treasurer for approval each week. Other updates that were highlighted are the new newsletter, exam scores being released online and the office going paperless.

HR615: Mike reported on the proposed policy. He has had a conversation with NASBA letting them know our opposition to this policy.

POLICY MANUAL: We will ask other similar in size State Boards as well as other North Dakota State Boards what they use for a Policy Manual. Mandy will also ask NASBA if they have resources for a new policy manual.

REINSTATEMENTS: Motion to approve reinstatement requests from Johnson, Ul-Haq, Wright, Brasel and Tassin. [Motion: Patrick; 2nd: Sheri; unanimous] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

SPECIAL APPLICATION ISSUES: Licensee request to waive Annual Renewal late fee. Motion to deny request. [Motion: Faye; 2nd: Patrick; unanimous with 1 abstain] [Roll call: Schmitz (y), Miller (y), Adair (y), Kautzman (y), Erickson (y)]

MISCELLANEOUS:

The current life insurance expires 12/31/2018. Mandy will obtain 3 quotes and bring them forth at the next meeting.

Jim reported a discrepancy in original numbers presented. The Board made a motion to retroactively correct the compensation to July 1, 2018.

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

EXECUTIVE SESSION:

COMPLAINTS

2018-4. Revocation complete/Suggest closing

2018-5. Review and discussion of complaint

2018-6. Review and discussion of complaint

OUT OF EXECUTIVE SESSION:

2018-4. Tonia Reinhart declined an appeal and her CPA certificate was revoked per 7/24/2018 meeting.

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

2018-5-Patrick has agreed to take a look at this case and follow up with the CPE. He will report back at the next Board meeting.

2018-6-Mike has agreed to take a look at this case and make an attempt to follow up with the CPA. He will report back at the next Board meeting.

The Board received notice from SEC that a ND CPA was issued a cease and desist. The CPA has not been a ND CPA since 1990. Mike will write a letter letting the SEC know that they are no longer licensed with North Dakota.

ADJOURNED: 12:45 PM

Secretary

Date

ND STATE BOARD OF ACCOUNTANCY
MEETING NOTES: 12/17/2018 10:00AM-Via Conference Call

PRESENT: Mike Schmitz, Faye Miller, Laura Adair, Patrick Kautzman, Sheri Erickson, Mandy Harlow

STAFF LIFE INSURANCE:

The group looked over 3 quotes that were obtained. A motion was made to obtain life insurance at a flat rate of \$200,000 through Standard Insurance.

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

2019 MEETING DATES:

All meetings are set at 10:00AM. Fargo meetings will be located at EideBailly, and Bismarck meetings will be located at Widmer Roel.

January 24th, 2019 – Bismarck

April 23rd, 2019 – Fargo

July 16th, 2019 – Bismarck

October 17th, 2019 - Fargo

ADJOURNED: 10:30AM

Date _____

Secretary_____