

Vermont Secretary of State
Office of Professional Regulation

BOARD OF PUBLIC ACCOUNTANCY

**UNAPPROVED MINUTES
MEETING of TUESDAY, MAY 27, 2003**

1. The meeting was called to order at 9:03 a.m.

Members present: Jeffrey A. Graham, CPA, RPA, Chairman; Pamela J. Douglass, CPA, Secretary; Claire LaVoie, CPA; Lee M. Spivey, Jr., CPA; and Cairn G. Cross.

OPR Staff present: Christopher Winters, Board Counsel; Carla Preston, Unit Administrator; and Kara Sanborn, Staff Secretary.

2. The Chairman called for approval of the Minutes of the April 29th meeting. On page one, item number three, the last sentence in paragraph two was amended to read: Ms LaVoie recused herself from these proceedings due to a conflict of interest because she had previously worked at the same firm as did the Respondent.

On page two, item number six, the second paragraph was amended to read: Ms Preston agreed to follow-up on outstanding matters with regard to the Board's review of renewals (financial statements) from the previous renewal period.

On page three, item number seven, the second paragraph was amended to read: Mr. Cote also verified that candidates passing the International Uniform Certified Public Accountant Qualification Examination (IQEX) with a score of 75 percent or more are deemed equivalent with regard to minimum education (60 credits) and examination completion.

On page four, item number 13 (A), the word Remediation was corrected to read Mediation. Under item (B), the fourth sentence was deleted. The first sentence in the second paragraph was amended to read: Based on the discussion that ensued, the Board unanimously agreed to rescind the January 9, 2001 MOU agreement with Certified General Accountants. The third sentence was amended to read: Accordingly, all foreign educated applicants must obtain an evaluation of their foreign education including Chartered Accounts from Canada and Australia.

The date of the next meeting and a few grammatical corrections were also made. Mr. Spivey made a motion, seconded by Ms LaVoie, to approve the Minutes of the April 29, 2003 meeting as corrected. Motion passed unanimously.

3. **Hearings/Stipulation Review**

At 9:30 a.m., the Board reviewed a Stipulation and Consent Order in the matter of Docket Number APP-AC-06-0302, Alfred Viscido. George Haegele, IV, Assistant Attorney General, and the Respondent's Attorney, Richard W. Darby were present. Attorney Haegele explained that the Respondent agreed to a Stipulation and Consent Order in lieu of a hearing. Chairman Graham recused himself from these proceedings because the Respondent had contacted him early in the process. Based on documents presented and testimony heard, Ms LaVoie made a motion, seconded by Mr. Spivey, to accept the Stipulation and Consent Order as presented. Motion passed. Ms Douglass, Board Investigator, did not participate in the vote.

Pursuant to acceptance of the Order, the Board reviewed Mr. Viscido's application to determine if he has met all requirements for licensure (conditioned). The Board concluded that Mr. Viscido must clarify

whether or not he has worked five of ten years in public accounting, submit a transcript, provide a current verification from the State of New Jersey, and comply with the conditions stated in the Order. Mr. Viscido and/or his Counsel will be notified.

4. **Reports:** None to report.

5. **Legislation** - Attorney Winters indicated that the 2003 Legislative Session is coming to an end. He mentioned a few last minute amendments and noted that they anticipate that the Office bill will be approved. The bill included a few provisions that affect all boards.

The Board briefly discussed the need for fee increases (renewal and application) to be included in the Office bill for the 2004 Legislative Session.

6. **Rulemaking** - The Board reviewed and acted on comments made by the public with regard to its Proposed Rules. The Comment period ended on May 12, 2003. Attorney Winters summarized the written comments and presented that information to the Board. Comments included grammatical and format changes, clarification of certain terms or intent, further clarification of workpapers, and continuing professional education requirements.

Most comments pertained to continuing professional education requirements under Board Rule 9.2 (E), the percentage allowed for self-study. The Board agreed that the mix of self-study and interaction with speakers and peers was necessary, but did not want to make the process too burdensome for licensees, particularly those in private or sole practice. Based on the discussion that ensued, the Board agreed to amend the percentages stated in item E as follows: from 48 hours or 60 percent; **to 64 hours or 80 percent**. Item H was amended to read: Licensees cannot use more than 64 hours or 80 percent of continuing professional education in sections (E), (F) and (G) in a renewal period. Initial licensees, not by endorsement, that are licensed for less than two full years can use no more than **32** hours of continuing professional education in sections (E),(F) and (G).

Attorney Winters will prepare the cover pages for the Final Proposed Rule which will include the Board's responses to each of the comments submitted (written and verbal). The Board's reason(s) for not making a suggested change will also be noted. Once this information has been prepared, Attorney Winters will forward it to members for review prior to submitting it to the Legislative Committee on Administrative Rules. The Final Proposed Rules will be posted on the Board's Web page.

7. **COMPLAINTS**

AC-06-1102 - The Board reviewed the Report of Concluded Investigation. Based on the information provided, Mr. Spivey made a motion, seconded by Ms Douglass, to accept the Investigative Team's recommendation and conclude this matter without charges. One correction was noted where the word Complainant should read Respondent. Motion passed. Ms LaVoie, Board Investigator, did not participate in the vote.

AC-09-0203 - The Board reviewed the Report of Concluded Investigation. Based on the information provided, Ms LaVoie made a motion, seconded by Mr. Spivey, to accept the Investigative Team's recommendation and

conclude this matter without charges. Motion passed. Ms Douglass, Board Investigator, did not participate in the vote.

AC-10-0203 - The Board reviewed the Report of Concluded Investigation. Based on the information provided, Mr. Spivey made a motion, seconded by Ms LaVoie, to accept the Investigative Team's recommendation and conclude this matter without charges. Motion passed. Mr. Graham, Board Investigator, did not participate in the vote.

8. **The Board reviewed and discussed the following applications for licensure.**

Ms Douglass made a motion, seconded by Mr. Spivey, to approve the following applicants for licensure based on their completed applications and successful completion of the Uniform CPA examination if applicable. Motion passed unanimously.

8. **Applications** - continued

Berardi, Guy A.	(Examination)	Brilliant, Elliott H.	(Endorsement)
Button, Michael D.	(Examination)	Essenberg, Denise	(Endorsement)
Leeman, Sarah	(Endorsement)	McNeill, Daniel J.	(Examination)
Morgan, Joyce	(Endorsement)	Selva, Terri J.	(Examination)
Taffe, Denise R.	(Endorsement)		

The Board reviewed and approved a firm application for Baker Newman & Noyes on the basis that Denise Taffe was approved for licensure as a Certified Public Accountant in the State of Vermont.

The Board reviewed several other applicants' files and indicated the documents that were still missing or unacceptable to complete their applications. They will be notified.

9. **Miscellaneous Correspondence**

a. The Board continued its discussion with regard to Certified General Accountants from Canada. The Board reviewed the Memorandum of Understanding (MOU) dated January 9, 2001; the December 5, 2002 letter from the Board to Lyle Handfield; and the January 6, 2003 letter from Mr. Handfield to the Board stating changes in their program.

The Board affirmed its April 29th decision to rescind its January 9, 2001 agreement with the Certified General Accountants of Canada which was signed by the Board Chair at that time (William J. Fisk) and Lyle Handfield, Vice-President of Professional Affairs for the CGA. The Board reviewed and edited a draft letter to Mr. Handfield stating its position. This means that all

foreign educated candidates requesting to sit for the Uniform CPA exam (Chartered Accountants from Canada and Australia, CGA's, etc.) must have their education evaluated by a National Association of Boards of Accountancy-recognized organization (i.e., IQEX, Foreign Academic Credentials Service, Inc. (FACS)).

Several organizations will be copied on this letter stating the Board's position, i.e., NASBA, Certified Public Accountants Examination Service, American Institute of Certified Public Accountants, and the Vermont Coordinator.

The Board also discussed candidates' work experience obtained under supervisors with CGA designations and agreed that it would no longer consider it as acceptable experience. The Board noted that once the Proposed Rules are in effect, CGA supervisors will not be considered acceptable supervisors; only those recognized by NASBA. Based on the discussion that ensued, the Board decided it best that the effective date to no longer accept CGA supervisors be in conjunction with the adoption date of the rules which is expected in July of 2003. Any candidate currently in the process, who has already earned experience under a supervisor with a CGA designation during the effective period of the MOU (January 2001) up to the adoption of the rules, will be considered on a case by case basis. Mr. Handfield and others will be notified. The Board will recommend to the Vermont Coordinator that all candidates applying to sit for the November 2003 Uniform CPA Examination to begin the licensure/approval process, be notified immediately.

The Board stated that its primary reasons for its position include the fact that it operates under the directive of NASBA and verified that CGA's are not included in the agreement between NASBA and International Qualifications Appraisal Board (IQAB) with regard to acceptable supervisors (December 9, 2002 letter from NASBA). In addition, the Board strongly supports methods to standardize the requirements among jurisdictions and improve endorsement and reciprocity for persons already licensed among the states.

- b. The Board noted its FY2003 Budget Year to Date through April 30, 2003.

9. **Miscellaneous Correspondence** - continued

- c. The Board reviewed and discussed questions pertaining to continuing professional education (Quality Assurance Service) and paraprofessional? The Board reviewed QAS information available via the Web site and confirmed that Vermont is Registry accepted which means the course would be valid for four hours, versus eight QAS hours. CPE courses provided in which Vermont is not listed as acceptable are only valid for half credit.

Since the Board does not regulate paraprofessionals, it could not act on a question pertaining to acceptable CPE for a paraprofessional.

- d. The Board reviewed renewal applications for CPA, RPA, and firms for the period of August 1, 2003 through July 31, 2005. A few

corrections were noted on the forms. The Board wanted to be sure that the definition of "attest" services was included.

- e. The Board reviewed the draft Newsletter and discussed other topics to be included. Chairman Graham agreed to draft a couple of articles for inclusion.
- f. Ms LaVoie provided information for review concerning CPE approval for Arbitration and Mediation coursework. Pursuant to review of Rule 9.2 and the Board's discussion, Ms LaVoie was confident that this course would be acceptable in that it is applicable to her job. The Board noted that courses do not have to be Registry approved with NASBA if they fit with other programs.
- g. The Board reviewed the revised acknowledgment notices sent to applicants stating the requirements. A few changes were suggested to clarify exactly what is needed to become licensed in the State of Vermont.
- h. Various FYI documents were discussed and noted.

10. **American Institute of Certified Public Accountants (AICPA) Correspondence**

- a. The Board reviewed and noted the information dated April 14, 2003 re Skills for the Uniform CPA Examination.
- b. Various questionnaires and FYI documents were noted.

11. **National Association of State Boards of Accountancy (NASBA) Correspondence**

- a. The Board responded to several NASBA Quick polls.
- b. The Board reviewed the information on file with the CPAES and Vermont Coordinator. Updated information will be provided to these groups along with the Board's position concerning CGA's.
- c. The Board responded to various questionnaires and noted FYI documents.

12. **Public Comment**

13. **Other Business Introduced by the Board**

14. The next meeting is scheduled for **Wednesday, June 24, 2003.**

**Meeting dates in 2003:
July 22, 2003; August 26, 2003;
September 23, 2003; October 28, 2003;
November 25, 2003; and December 16, 2003.**

15. There being no further business, the meeting adjourned at 3:50 p.m.

Respectfully submitted,

Carla Preston
Unit Administrator
Office of Professional Regulation