

Vermont Secretary of State
Office of Professional Regulation
BOARD OF PUBLIC ACCOUNTANCY
UNAPPROVED MINUTES
Meeting of December 19, 2007

1. The meeting was called to order at 9:05 AM.

Members present: Pamela J. Douglass, CPA, Chairperson; Lee M. Spivey, CPA, Vice-Chair; Claire LaVoie, CPA; and John C. Borch, CPA. Absent: Cairn G. Cross.

OPR Staff present: Kevin F. Leahy, Board Counsel; and Carla Preston, Unit Administrator.

Others present: Deborah Riley, Executive Director, Vermont Society of Certified Public Accountants.

2. The Chair called for approval of the Minutes of the November 27th meeting. Items listed under #3 regarding hearings and #4 regarding reports of concluded investigations were corrected to show that the motions were seconded and voted upon. The Minutes will show that Mr. Cross recused himself from the matters regarding Denise Myers and her firm, Docket Numbers AC14-0207 and AC15-0207. The Board had discussed the model rule regarding education and agreed to follow-up with NASBA to learn whether the educational institutions were advised of or involved in drafting the model language. The Minutes of the November 19th meeting will be amended to reflect this discussion.

Mr. Spivey made a motion, seconded by Mr. Borch, to approve the Minutes of the November 27, 2007 meeting as corrected. The question was called and the motion passed unanimously.

3. Hearings and/or Stipulation and Consent Orders for consideration – none.

4. Reports

Ms. Douglass reported that Vermont is no longer considered substantially equivalent to the Uniform Accountancy Act, because Vermont does not include a path to licensure with a mandatory Baccalaureate Degree. The UAA requires 150 hours (education), minimum 1 year experience and successful completion of the Uniform CPA Examination. She explained that only states requiring 150 credit hours met the equivalency requirements of the UAA with regard to education. Other states could be listed with asterisks indicating that other methods or paths to licensure were available. Vermont was on that list based on its requirement of 120 credit hours to sit for the examination and licensure. Subsequently, Vermont was removed from the NASBA National Qualification Appraisal Service Substantial Equivalency Chart as being substantially equivalent (with asterisks) because 120 credit hours is not considered the same as a Baccalaureate Degree. The Board noted that the UAA is continually being amended which is cause for some concern when it involves legislative changes. The matter was discussed at length.

Deb Riley, Executive Director of the Vermont Society of Certified Public Accountants attended the meeting for this discussion. She apologized for the late submission of the proposed draft legislation (via E-Mail to members on December 18th) but explained that it had been reviewed and approved by committee members working on the project and attorneys representing the AICPA and NASBA. The language reflects changes needed to Vermont's current statutes to become substantially equivalent to the Uniform Accountancy Act. She said adoption of this proposed legislation would put Vermont on the substantially equivalency list without an asterisk.

Members noted that they had not had an opportunity to review the draft language. To be considered as substantially equivalent with regard to mobility, one path must include 150 credit hours and another path must include a Baccalaureate degree. Experience requirements would be adjusted accordingly. The paths to licensure to be considered are as follows: A: 120 credit hours; B: Baccalaureate Degree; C: 150 credit hours, including mandatory Baccalaureate Degree. The Board concluded that it was too much of a leap to submit legislation to go from 120 credit hours to 150 credit hours at this point in time. The Board reviewed Mr. Borch's research of other states' requirements, particularly bordering states, with regard to UAA equivalency and Mobility.

The Board believes that the intent of NASBA's National Qualification Appraisal Service (NQAS) is that prior to January 1, 2012 states must have a provision in place requiring 150 credit hours with a Baccalaureate Degree to be effective at some point in the future (minimum of six years out). As an example, a law effective on July 1, 2008 could require 150 credit hours by July 1, 2014. The Board needs to decide what future date would be reasonable to implement a 150 credit hour requirement that allows colleges and students preparation time. In the end, the Board concluded that it was not ready to propose such significant amendments for the 2008 legislative session but will review the proposed draft in detail and discuss it at future meetings. The Board must focus on meeting current legislative mandates. The Board will also verify the intent of the 2012 date.

The Board agreed to submit proposed legislation in the 2008 Office bill that would include a mandatory Baccalaureate degree as one path to licensure. That change would put Vermont back on NQAS's substantially equivalent list with asterisks.

5. Applications

Mr. Spivey made a motion, seconded by Mr. Borch, to approve the following applications for licensure. The question was called and the motion passed unanimously.

Joshy Joseph - CPA (Examination)

Pace & Hawley, LLC – (Firm)

David A. Roberts – CPA (Endorsement)

Sara L. Timmerman – CPA (Endorsement)

Jennifer Tornquist – CPA (Reinstatement)

The Board reviewed the applications listed below but was unable to approve them as submitted. Applicants will be notified of the Board's findings.

John N. Burke – (CPA basis of Endorsement). To complete his application, Mr. Burke must submit his transcript from Johnson & Wales. The Board found him to be short three hours of live continuing professional education credits. Before the end of the meeting, he submitted evidence of an additional two hours of CPE.

Brian A. Vreeling - (CPA basis of Examination). Mr. Vreeling was informed that he needed to complete an additional 29.5 educational credits (120 hours required) and submit evidence of two years' experience or 4,160 hours. Mr. Vreeling responded by stating that he had submitted his application to the examination service in April of 2007 with 90.5 educational credits, and was scheduled to sit for the examination components prior to July 1, 2007. He was not notified by the examination service (CPAES) that his education (60 credit hours) on which his approval to sit for the examination was based, would not qualify him for licensure in Vermont after July 1, 2007 when the law changed to 120 credit hours. The Board had agreed to review these situations on a case by case basis, thus will allow him to qualify for licensure on the basis of 60 credit hours. In doing so, it increases the experience requirement to four years (or 8,320 hours). Mr. Vreeling reported 4,062 hours of experience, which he earned from September of 1992 through October of 1994.

5. Applications - continued

Therefore Mr. Vreeling does not meet the experience requirement for either educational scenario. Experience earned more than 15 years ago is not acceptable therefore some of his experience has become ineligible toward that requirement. Verification of his supervisor's licensure status is also needed. Mr. Vreeling will be notified of his options.

John B. Wholey - (CPA basis of Endorsement). The Board found that some of Mr. Wholey's continuing professional education credits were earned prior to December 17, 2005, the two-year period preceding his completed application to Vermont (12/17/07). He must submit evidence of his having an additional 21 hours of CPE, and of the 21 credits, 2 hours must be in ethics and 1.5 hours in Accounting and Auditing.

6. Correspondence (American Institute of Certified Public Accountants; National Association of State Boards of Accountancy)

The Board reviewed and noted various correspondence from the sources mentioned above.

7. Miscellaneous Correspondence

The Board reviewed an E-Mail from Mike Paolino concerning whether he would need another Peer Review for the 2007 to 2009 period. Additional information was requested and he will be notified of the Board's findings.

8. Public Comment

9. Other business

10. The next meeting of the Board is scheduled for January 22, 2008.

11. The regular meeting was adjourned at 12:55 PM. The Board then began a work session to discuss proposed changes to the Rule to be in compliance with its legislative mandate.

Respectfully submitted,

Carla Preston
Unit Administrator
Office of Professional Regulation