

Vermont Secretary of State  
Office of Professional Regulation  
**BOARD OF PUBLIC ACCOUNTANCY**  
MINUTES  
Meeting of Tuesday, July 28, 2009

1. The meeting was called to order at 9:04 A.M.

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

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

Others present: Joshua Partlow, CPA, and David C. Grippin, CPA and Pamela M. Lemire with New England Peer Review (NEPR).

2. The Chair called for approval of the Minutes of the June 23<sup>rd</sup> meeting. Under 9 (a) regarding the discussion with Ken Bishop and Craig Mills, a summary of the conversation will replace the detailed notes. The notes will also be summarized under the headings of rulemaking and members' reports from attending national meetings. Mr. Spivey made a motion, seconded by Ms. LaVoie, to approve the Minutes of the June 23, 2009 meeting as corrected. The question was called and the motion passed unanimously.
3. Hearings and/or Stipulation and Consent Orders for consideration
4. Legislation/Rulemaking

On July 14, 2009 Chairperson Douglass, Vice-Chair Spivey, Attorney Leahy and Ms. Preston attended the hearing before the Legislative Committee on Administrative Rules regarding the Board's Final Proposed Administrative Rules. LCAR approved the Final Proposed Rules and Attorney Leahy filed the necessary documents with the Secretary of State's Office and LCAR. The new Administrative Rules for the Vermont Board of Public Accountancy will be effective as of August 7, 2009.

5. Reports/Guests

David Grippin, CPA and Pamela M. Lemire, Executive Director of the New England Peer Review committee attended the meeting to update the Board about the recent changes in the peer review process. Handouts were provided that included documents used in the peer review process. Certified Public Accountants enrolled in the American Institute of Certified Public Accountants (AICPA) who perform financial engagements must have a peer review. NEPR covers the states of Maine, New Hampshire, Rhode Island and Vermont.

Mr. Grippin and Ms. Lemire discussed the contents of the binders provided. Topics covered included NEPR's roster, revised standard changes, system review overview and sample reports, engagement review overview and sample reports, Matters for Further Consideration (MFCs), Findings for Further Consideration (FFC), Disposition of Matters for Further Consideration (DMFCs) and sample forms for each. The binders also included the administrative cycle of a peer review and flowchart, types of AICPA and NEPR oversight, and facilitated state board access.

Ms. Lemire and Mr. Grippin encouraged the Board and staff to contact them with any questions or concerns. The booklet provided and CD includes many of the tools they use in administering their program and other contact information.

The Board thanked Ms. Lemire and Mr. Grippin for attending the meeting and for providing the booklet of information. The discussion was timely since CPAs and firms are currently in the renewal process.

## 6. Applications

Mr. Cross made a motion, seconded by Mr. Spivey, to approve the following applicants for licensure or reinstatement based on their completed applications. The question was called and the motion passed unanimously.

David P. Sanguinetti – Reinstatement  
Norda M. Gayle – Examination  
North Business Services, P.C. – Firm

Marie G. Thomas – Reinstatement  
Jordan E. Nelle – Examination  
Richard B. Morgan – Reinstatement

The Board reviewed the application listed below but was unable to approve it as submitted. Applicant(s) will be notified of the Board's findings.

**Ralph E. Kornips** – Examination – The evaluation of Mr. Kornips' foreign degree from World Education Services did not state that he received a baccalaureate degree which is required for licensure as of July 1, 2009.

## 7. Correspondence from the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA)

The Board reviewed and noted NASBA's Quarterly Communications (email dated July 27, 2009), which included:

- NASBA's Board of Director's Meeting held April 24, 2009, Isle of Palms, SC
- NASBA's Board of Director's Meeting held July 17, 2009, Avon, CO
- NASBA's Focus Questions. The Board discussed and responded to the focus questions. The results will be forwarded to the contact person for the Northeast Region as indicated.
- NASBA's Annual Meeting to be held November 1-4, 2009 to be held in Phoenix, AZ. Members Spivey and/or Borch hope to attend.

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

## 8. Miscellaneous Correspondence

- a. The Board reviewed the June 29, 2009 letter from Michael A. Pearson whose Vermont license has been inactive since 1993. He is currently a professor of accounting at an out-of-state university. He indicated that he wishes to remain on inactive status. The Board will remind him that inactive licenses cannot be reinstated after a period of ten years. Licensees with an inactive status may not use the CPA designation.
- b. The Board reviewed the July 22, 2009 letter from Mary Margaret Foley regarding the requirements for opening a home bookkeeping business. The Board was uncertain whether

Ms. Foley was a CPA licensed in Vermont. She will be referred to the Board's web site for the statutes, rules, exemptions, etc.

- c. Questions have been raised to staff regarding the due date for a peer review of newly licensed firms. The Board indicated that for new firms, the first peer review is driven by the biennial renewal unless yellow book. A peer review is required within three years. The first renewal cycle would depend upon when the firm was initially licensed. Existing firms licensed in other states and becoming licensed in Vermont must provide evidence of a peer review as part of its initial application. The peer review due date would be based on the date of the firm's last peer review.
- d. The Board reviewed other various correspondences which required no action.

#### 9. Public Comment

Joshua Partlow, CPA, is interested in serving on the Board and attended the meeting to observe the process. He has submitted an application to the Governor's Office.

#### 10. Other business

- A. Disciplinary Cases – There are currently four pending cases.
- B. International Administration of the Uniform CPA Examination – The Board followed up on its discussion regarding the CPA exam being administered in foreign locations. The Board will research the other 11 states mentioned by Mr. Bishop and Dr. Mills at its last meeting to determine their educational requirements. The Board agreed that the same controls must be in place as are in the United States. The Board wants to see the letter that the examination service (CPAES) sends to candidates who have passed the exam. The Board wants to make sure it is clear that passing the CPA examination does not mean licensure and that the CPA designation may not be used. The Board noted that it was not ready to fully endorse the concept of administering the CPA exam in other countries but acknowledged that there are good parts of that program that should be adopted. Chairperson Douglass will draft a letter to Ken Bishop and Craig Mills for members' review and comment.
- C. ALD Progress  
Ms. Preston agreed to again contact Kenneth Denny at NASBA regarding what they needed from Vermont to update this database. Chairperson Douglass will also follow-up with NASBA on this topic.
- D. Mobility Transition
  - a. The Board discussed how best to handle requests about mobility. The Board noted that it is the applicant's responsibility to determine whether licensure in Vermont is needed based on their particular situation, circumstances and location of their client. Inquiries will be forwarded to NASBA's web site for additional information about states that are substantially equivalent with regard to education, examination and experience. Vermont is substantially equivalent. Chairperson Douglass provided information from New Hampshire's Web site regarding mobility that described what is needed and instructions which is similar to Vermont's. The information included what firms must register, etc. Ms. Preston agreed to draft language similar to New Hampshire's requirements and instructions for inclusion on the Board's web page.

- b. Mobility Firm Registration Form. Ms. Preston will update the firm application and share it with members. In addition, the Temporary Firm Registration Form will be updated to reflect out-of-country (foreign) firms wishing to temporarily practice in the State of Vermont.
- E. Newsletter Topics and Assignments – Chairperson Douglass will write her Chair's report and an article regarding mobility. She mentioned including information about serving on the Board and may include an excerpt from the survey sent with renewals. Mr. Spivey will write an article to update experience requirements and to explain that the Board wants more detail about an applicant's experience. In addition, disciplinary actions, statistics, updates to the statutory and rule changes will be highlighted.
- F. Results of Peer Review – The Board agreed that if a peer review submitted was modified or adverse it would look back to that firm's prior renewal/peer review to determine if a pattern (problems) existed. Staff will retrieve renewals submitted in 2007 and in 2005 before the next meeting.
- G. Strategic Planning – The Board discussed future changes to the statutes and rules to consider regarding standards and requirements.
- H. Update Forms – Many of the Board's application forms need to be updated due to the recent statutory and rule changes.
  - a. Endorsement under new rules 5.11
  - b. Licensure after 7/01/09 to include baccalaureate degree
  - c. Delete need for coursework in Computer Sciences and Statistics on new licensee forms
  - a. New experience form for new 5.9

Ms. Preston agreed to update the applications for Board review.

11. The next meeting of the Board is scheduled for August 25, 2009.

12. There being no further business the meeting was adjourned at 1:38 PM.

Respectfully submitted,

Carla Preston  
Unit Administrator  
Office of Professional Regulation