

BOARD OF PUBLIC ACCOUNTANCY

**UNAPPROVED MINUTES
MEETING of TUESDAY, OCTOBER 28, 2003**

1. The meeting was called to order at 9:20 a.m.

Members present: Jeffrey A. Graham, CPA, RPA, Chairman; Pamela J. Douglass, CPA, Secretary; Claire LaVoie, CPA; Lee M. Spivey, Jr., CPA.; Cairn G. Cross; and Sherry Prehoda, CPA, Ad Hoc member re ACC04-0302 and ACC05-0302.

OPR Staff present: Christopher Winters, Board Counsel; Carla Preston, Unit Administrator; Robert H. Backus, State Prosecuting Attorney; and Nancy Morin, Case Manager for scheduled hearing.

Others present: Deborah Riley with the Vermont Society of Certified Public Accountants; Elizabeth Campbell; Karl C. Anderson, Esq.; and the State's witness.

2. The Chairman called for approval of the Minutes of the September 23rd meeting. On page three, #12, the date of the next meeting was corrected to read October 28, 2003. Under #5, two additional applications which were discussed were added: Sylvia McCowan (Examination) - The Board concluded that Ms McCowan's experience does not meet the requirements of Board Rule 5.9; Amelia M. Peralta (Score Transfer) - Ms Peralta needs to have her supervisor state the total number of hours and verify 500 hours of attest functions of which 200 hours are related to audit.

Ms Douglass made a motion, seconded by Ms LaVoie, to approve the Minutes of the September 23, 2003 meeting as corrected. Motion passed unanimously.

3. **Hearings/Stipulation Review:**

At 9:30 a.m. a hearing was held in the matter of Docket Numbers ACC04-0302 and ACC05-0302 concerning Elizabeth Campbell, CPA. After hearing testimony on this matter, the Board voted to go into deliberative session at 12:30 p.m. and out at 1:00 p.m. Ms Douglas and Ms LaVoie, Board Investigators, did not participate in the deliberations. The Board will issue its Findings within thirty days.

4. **Legislation/Rulemaking:** - None to report.

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

- A. Mr. Spivey made a motion, seconded by Mr. Cross, to approve the following applicants for licensure based on their completed applications. Motion passed unanimously.

Cohen, Marsha R. (Endorsement)
Hancock, Melissa (Examination)
Koroluk-Sigrist, Andrea (Examination)
Peralta, Amelia M. (Score Transfer)

Flynn, Brian (Endorsement)
Klotz, Karla (Endorsement)
Morris, Nicole S. (Examination)
Yang, Bo (Examination)

- B. The Board reviewed the applications listed below and noted that documents were still missing or unacceptable to complete their applications. They will be notified of the Board's findings.

5. **Applications** - continued

The following applicants need verification from their supervisors that their experience includes 500 hours of attest functions of which no less than 200 hours was related to the audit function (Board Rule 5.9 (C)).

Eigel, Barbara M. (Examination) Giannakouros, Olivia S. (Examination)
L'Esprance, Rae A. (Examination) Tracey, Heidi J. (Examination)

The following applicants need verification from their supervisors that their experience includes 500 hours of attest functions of which no less than 200 hours was related to the audit function as well as the information indicated.

Adams, Arthur E. (Examination) - Mr. Adams' supervisor needs to provide a copy of his current Connecticut license or a good standing directly from the State of Connecticut noting that it was valid during the supervised period. The Board noted that Mr. Adams works for Pitney Bowes, Inc. and would like an explanation from his supervisor as to how he ascertained the audit experience.

Cautermann, Nancy L. (Examination) - Ms Cautermann's supervisor indicated that she had 500 hours of attest functions but stated that she did not have audit experience.

Ducharme, James W. (Examination) - The Board reviewed the additional information provided on behalf of Mr. Ducharme and concluded that it did not meet the Board's requirements as stated in Board Rule 5.9. The Board understands the independence issues with regard to KPMG and BISCHA. It will ask Mr. Ducharme if there is anyone else at KPMG who would not have an independence problem, who could provide more information. The Board would also like the partner who provided documentation on behalf of Mr. Ducharme to be more specific with regard to his work experience. Mr. Ducharme's work experience must also be provided in hours.

Giroux, Paul J. (Examination) - The Board reviewed Mr. Giroux's application and noted that his last public work experience was in December of 1988. Because his public experience is more than 15 years ago, it cannot count toward the experience requirement. Verification that his supervisor(s) is a CPA is also needed.

Rowley, Eric C. (Endorsement) - Mr. Rowley's application and additional information he submitted was reviewed. The Board calculated his continuing professional education credits and found that he fell short for two different periods. He needs another 13 credits for the period of July 1998 to June 2001 or another three credits for the period of July 2000 to June 2003. These calculations included the 10 carryover credits he was allowed. The Board also considered the period of January 2002 to December 2003 for 80 credits noting that any credits used to satisfy licensure cannot be used for renewal in 2005.

Thompson, Ann-Marie D. (Examination) - Ms Thompson's education from Jamaica must be evaluated to determine the number of years of experience required. She documented two years of experience.

Sanguinetti, David P. (Renewal application) - The Board reviewed Mr. Sanguinetti's renewal application and noted that it was fine as long as he could verify it.

6. **Miscellaneous Correspondence**

- a. The Board reviewed the fax from Muhummad Ali requesting a refund of the November examination fee because he could not obtain a Visa to travel to the US. The Board could not approve his request

noting that in several locations it is posted that examination fees are non-refundable.

- b. The Board reviewed and completed Quick Poll from Mack Ezzell noting that Vermont is a one tier State.

6. **Miscellaneous Correspondence** - continued

- c. The Board reviewed the letter from Julia Austin from Foreign Credentials Service of America who is introducing their evaluation service. They will be referred to NASBA and if approved, Vermont will accept their evaluations.
- d. The Board reviewed the E-Mail from John Scheer regarding QAS interactive self study hours for continuing professional education credits. Vermont accepts NASBA Registry approved QAS programs. The Board will suggest that Mr. Scheer contact NASBA for clarification on this issue.

The Board realizes that there is considerable confusion concerning QAS courses. What criteria is used to evaluate courses and if different criteria is used, under what circumstances is it used? Based on the discussion that ensued, the Board will research this issue further and discuss it at the next meeting.

- e. The Board reviewed the E-Mail concerning retention of the Uniform CPA Examination Records. Examination records are not destroyed and are maintained at the Office of Professional Regulation.
- f. The Board reviewed the E-Mail from Mark Hauman concerning the 150 credit hour rule. Vermont is a one tier State and has no plans to adopt the 150 hour credit rule.
- g. The Board noted the E-Mail from Jkeiko Walsh regarding the CPA Examination enrollment policy.

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

- a. The Board noted the list of the top ten scores from the May 2003 examination.
- b. The Board reviewed and discussed the October edition of the "AICPA Special Committee on State Regulations, an Overview of State Issues Related to the Sarbanes-Oxley Act." (See public comment.)
- c. Various questionnaires and FYI documents were noted.

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

- a. The Board reviewed and noted the grade results for Vermont's candidates.
- b. The Board reviewed and noted State Board Reports.
- c. The Board reviewed and noted copies of documents that will be distributed at the national meeting.
- d. The Board reviewed the information from NASBA regarding the State Board Profiles as it pertains to dues. The Board needs to clarify what licensees (i.e., active, inactive, lapsed) are counted toward the annual dues. Dues are based on the number of licensees. The total number of active licensees is close to the maximum number for dues which would be \$1200 less. If the number of licensees exceeds that number, dues are \$3200. Ms Preston will discuss this matter further with NASBA. The Board will pay the required amount once determined.
- e. The Board reviewed and discussed the E-Mail from Yordanos Dumez regarding CPE non-residency agreement. The Board has no immediate plans to enter the rulemaking process to consider changes to

its rules. Vermont will accept candidates from other states with substantially equivalent requirements.

f. The Board responded to various questionnaires and noted FYI documents.

9. **Public Comment**

Deborah Riley, with the Vermont Society of Certified Public Accountants, said she attended the AICPA's Fall Council Meeting which discussed the Sarbanes-Oxley Act. She referred to Agenda item 10 (b) and noted that it clarifies complex regulations. This is the second edition of A Reasoned Approach to Reform and pertains to audit. She said state boards do not need to adopt specific language in their laws or rules only refer to the national standard. She said state boards should adopt Sarbanes-Oxley regarding security firms to which it applies. Security firms in Vermont need to accommodate Sarbanes-Oxley. The group discussed this issue further.

Ms Riley said the PCAOB is coming out with new regulations, public and private, so they are waiting to see what those regulations will include. All auditing standards are not the same, and if they were it would put a lot of small firms out of business.

Mr. Graham noted that there is more than one auditing standard now. He felt the standards could be the same for publically traded companies.

Ms Riley was pleased that the Board tightened up its rules with regard to retention and audit.

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

The Board expressed concerns that wall certificates had not been prepared in several months. Ms Preston said that steps would be made to get caught up the back log by hiring another calligrapher. A letter of thanks will be sent to the current calligrapher for his work over the past several years.

11. The next meeting is scheduled for **Tuesday, November 25, 2003**. The last meeting in 2003 is December 16, 2003.

12. There being no further business, Ms Douglass made a motion, seconded by Mr. Cross, to adjourn the meeting at 4:20 p.m. Motion passed unanimously.

Respectfully submitted,

Carla Preston
Unit Administrator
Office of Professional Regulation