

Vermont Secretary of State  
Office of Professional Regulation  
**BOARD OF PUBLIC ACCOUNTANCY**  
**APPROVED MINUTES**  
January 22, 2002

Present: Jeffrey Graham, Pamela Douglass, Francine Chittenden, Claire LaVoie, Lee Spivey; Staff Present: Nancy Morin, Christopher Winters; Others Present: Deb Riley; Leigh Phillips

1. Meeting was called to order at 9:20 a.m.
2. Moved to approve the minutes of November 20<sup>th</sup>, 2001. So voted.
3. Reports
  - a. Francine Chittenden, who attended the Computerized Examination Conference in Atlanta, discussed the meeting on the computerized examination contract. Francine reported that Vermont was one of seven states that had voted no to the contract. Francine explained that there were a lot of unanswered questions that she felt should be answered before the Board's were asked to vote.
  - b. The Board discussed the financial statements that they were submitted with renewals for those accountants that did not have peer reviews. The Board discussed issues surrounding the financial statements and it was decided how the Board would respond to the financial statements.

4. Licensing

Moved to approve the following applicants for licensure as Certified Public Accountants:

- a. Reinhard Polewsky by Examination
- b. Scott E. Mulhare by Examination
- c. Donald K. Kemp by Endorsement
- d. Donald J. Devine by Examination
- e. Therese Holmes by Endorsement
- f. George VonTrapp by Endorsement pending receipt verification from Colorado and proof of taking and passing the ethics course
- g. Anne L. Marcil by Examination pending receipt of taking and passing the ethics course

So. voted

- h. Moved to table Mai T. Ly-Dolata's application for licensure as a Certified Public Accountant by Examination and send her a letter that states she needs 1,338 more hours of supervised experience and a copy of her supervising chartered accountant's license. So voted.

- i. Moved to table Joseph G. Power's application for licensure as a Certified Public Accountant by Examination and send him a letter stating that based on his supervisors's responses he does not meet the experience requirement. So voted.
- j. Moved to table Charles H. Blackmore application for licensure as a Certified Public Accountant by Endorsement an send him a letter stating that the 120 hours of continuing education must be obtained during the period from 12/21/98 to 12/21/2001. Mr. Blackmore also must obtain verification from Massachusetts that he held a firm registration in the previous 10 years. So voted.
- k. Moved to deny Raymond Kevin Cross's application for licensure as a Certified Public Accountant by Score Transfer based on his not meeting the experience requirement as outlined in 26 V.S.A. Chapter 1 § 71a(a)(2)(C) and Rule 5.10 (A) and Title 3 §129a(a)(9) "Conviction of a crime related tot he practice of the profession or conviction of a felony, whether or not related to the practice of the profession." So voted.
- l. Leigh Phillips appeared before the Board to discuss her request for a waiver of the 3 credit hours in computer science required for the CPA Exam. Board moved to waive the 3 credit hours in computer science based on her experience and college courses she has taken that include computer science within the course. So voted,

5. Correspondence

- a. Moved to approve Pamela S. Savely's request for an additional extension of completion of her continuing education for renewal until 7/1/2002 based on a medical hardship. So voted.
- b. Board reviewed an E-mail from Bill Fisk regarding a statement in the AICPA Plain English Guide to Independence which states "you and your firm may have commission and contingent fee arrangements with ... a benefit plan that is sponsored by a client... without violating the AICPA rule. The e-mail stated that the Board had been considering whether an employee benefit plan was considered separate from the sponsoring company for purposes of applying the rules related to commissions from clients requiring independence and wondered if the Board had reached a consensus. Staff was requested to respond to Mr. Fisk that the Board had not made a decision but would review at a later date.
- c. Board noted the letter from the State Education Department summarizing the results of the responses received from the Perspective on the Future of the Accountancy Profession survey.
- d. Board noted the copy of the most recent letter sent to John P. Crowley, Esq, written by Christopher Winters.
- e. Board noted the expressions of appreciation from the latest school receiving the calculators after the examination.
- f. Board reviewed the e-mail from Mary Sallisky regarding the record retention for old work papers and requested that staff send a letter stating that she should contact her attorney or the AICPA to find out the various retention periods for the particular type of client work that was performed.
- g. Board reviewed the E-Mail from California Board of Accountancy requesting information on our rules regarding accredited educational programs and requested that staff send a copy of Rule 5.2.

## 6. NASBA Correspondence

- a. Board noted the letter from Michael R. Bryant, CPA describing reimbursement of administrative fees due the Board for the November 2001 Uniform CPA Exam.
- b. Board noted the letter to Mr. Graham with the Uniform CPA Examination report for November 2001.
- c. Board noted the memo from NASBA requesting the Board to update our state's information where applicable.
- d. Board noted the memo from Yordanos Burner, Director of Compliance Services with NASBA. The memo contains the announcement and agenda for NASBA's Seventh Annual CPE Conference in Destin, Florida.
- e. Board noted the NASBA 2002 meeting schedule.
- f. Board discussed the letter from NASBA to Chairman Harvey L. Pitts of the Securities and Exchange Commission. Board discussed the repercussions for accountants and discussed peer reviews and the need for pro-active action.
- g. Board noted the memo from David Costello regarding the Enron/Anderson investigation
- h. The Board reviewed the "*The Proposed CBT Workflow Between Candidates, Jurisdictions, NASBA, AICPA & Prometric*" and a memo setting up a conference call for January 23, 2002 to discuss this document and advised Nancy Morin of their concerns.
- i. Board completed the NASBA Quick Poll from Ken Bishop, Chair, Executive Directors Committee regarding the "*New Statement on Standards for Continuing Professional Education*"
- j. Board noted the memo from NASBA regarding recommendations for Vice Chair of NASBA for the 2002-2003 year.
- k. Board noted the E-Mail from California regarding their new legislation on examination cheating and the name of a candidate that was disciplined for cheating.
- l. Board discussed the memo from NASBA reminding Boards that the vote was 43 to 7 in favor of the examination contract and that the 7 states that voted no were expected to stand with the other boards and support the approved contract. The Board still has the same concerns that made them vote no to the contract.

## 7. AICPA Correspondence

- a. Board reviewed the AICPA 1999 & 2000 Annual Report - Uniform CPA Examination
- b. Board discussed the Exposure Draft on the "Conditioning and Transitioning for the Uniform CPA Examination and "Proposed revisions to Rules 5-1 to 5-10 relating to the UAA" and was not happy with the short time frame that was allowed for Boards to review and comment on the draft.

8. Board reviewed the other miscellaneous correspondence.
9. Moved to adjourn the meeting at 4:00 p.m.

**NEXT MEETING: Scheduled for April 23<sup>rd</sup>, 2002, Office of the Secretary of State , 26 Terrace Street, Montpelier, VT**

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Recorder

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Chair