

**BOARD OF ACCOUNTANCY
MEETING MINUTES**

Meeting Date: May 22, 2013
Meeting Location: Central Conference Room, Gardiner, Maine
Time Meeting Began: 8:20 a.m.

Roll Call of Officers:

The following members were present:

Peter Chandler
Michael Nickerson
Tracy Harding
Brian Perkins

Members absent:

Geoffrey Gattis

Staff Present:

Catherine Carroll, Board Administrator
Jeffrey Frankel, Staff Attorney
Michelle Lovering, Hearing Recorder

AAG Present:

Robert Perkins

Chair Peter Chandler called the meeting to order.

Board Meeting Minutes

A motion was made to accept the February 5, 2013 minutes as written.

Motion: Tracy Harding
Second: Brian Perkins
Unanimous

Decision and Order – Larisa Shmulyan

A motion was made to approve the Decision and Order, as written, upon correcting the spelling of Geoffrey Gattis' name in two places in the document.

Motion: Tracy Harding
Second: Brian Perkins

Complaint Officer's Report

2006-ACC-2530 – This case was presented to the board at their February meeting. At that meeting the board tabled action to allow Bob Perkins to further investigate the current status of the respondent's firm operations. The nature of the complaint is evading peer review requirements. The respondent is alleged to giving confusing and misleading information about providing defined services and making false statements in her 2006 and 2007 firm renewal applications.

A motion was made to proceed to hearing with no consent agreement offered pursuant to 32MRSA §12273-A (4)(5)(6) and 10MRSA §8003 (5) (5-A). The hearing will be based on the alleged false statements the respondent made on the 2006 and 2007 firm renewal applications and non-compliance with peer review requirements.

Motion: Tracy Harding
Second: Mike Nickerson
Unanimous

A motion was then made to offer a Consent Agreement that would have the respondent acknowledge the violations, pay a \$500.00 penalty and not take on any defined services without notifying the Board.

Motion: Tracy Harding
Second: Brian Perkins
Unanimous

2006-ACC-4722 – Bob Perkins presented this case which involved a licensee not completing the required continuing professional education hours upon renewal. The respondent did not answer to an opportunity to enter into a consent agreement. This case was never brought to the board and has since been unresolved. Bob stated that the respondent has not applied for a license. He recommended that the board dismiss the case without prejudice and that if the respondent should apply for a license the board will review the license request.

A motion was made to dismiss the case without prejudice and to decide on an application for a new license should the respondent apply for a new license.

Motion: Mike Nickerson
Second: Tracy Harding
Unanimous

Rulemaking Hearing – Chapter 5

The Board held a hearing to accept testimony on proposed changes to rules on the requirements for education and work experience to become a licensed certified public accountant. Oral testimony was given by two individuals. After the close of the hearing, the Board asked Catherine Carroll to look into Vermont and Connecticut's statutes on related work experience and the states where the UAA is adopted. The Board discussed the use and meaning of the term "shall" or "may" in paragraph A. Additional public comment will be accepted until the closing of the record on Monday, June 17th. The Board expects to deliberate on the proposed changes and public comment at their July 17th meeting.

Administrator's Report

Catherine Carroll is performing the duties of the board's clerk until she fills the vacancy. Catherine mentioned anticipated agenda items for the July meeting. The board members asked that the meeting begin at 7:30 AM to complete their deliberations on proposed Chapter 5 rulemaking in time of the hearing on case 2006-ACC-2530, which begins at 9:00 AM. The board requested that a discussion on peer review oversight issues tentatively scheduled for July be postponed until the September, October or November meeting. Catherine asked members to let her know if she is to register anyone for the upcoming regional and national NASBA meetings.

Catherine presented an inquiry from an individual who is seeking clarification on a peer review schedule for a firm that's scheduled to close and subsequently would open another firm. The board discussed several scenarios and outcomes based on the statutory requirements for peer review on firms. The board discussed whether a firm should complete a three-year peer review cycle if it has an impending termination date and the relevant peer review requirements for a genuinely new firm. They also discussed an entity formed for the purposes of circumventing the peer review requirement of a previous firm. The board members asked Catherine and Bob to provide a written response to Mr. Davis' inquiry based on their discussion.

Catherine presented a draft application for obtaining an individual CPA license on the basis of an out of state license or certificate. The board suggested designing the application to dually serve applicants who are currently licensed in states in which "substantial equivalency" is not applicable and those having to meet the "substantial equivalency" provision set forth in 32 §12232 (1).

Other Business

Tracy Harding is attending a summit peer review meeting in July in Nashville. The board discussed the notion of NASBA providing peer review oversight services instead of AICPA or NEPR.

Adjournment

A motion was made to adjourn at 11:45 AM

Motion: Mike Nickerson

Second: Brian Perkins