

New Hampshire Board of Accountancy  
Minutes from the May 18, 2009  
Public Meeting  
Held at the Office of the Board of Accountancy



Present: Jefferson Chickering, CPA, Chairman, Deborah Butler, CPA, Secretary, Richard O. Hanson, CPA, Wayne Geher, CPA, Owen Walton, Public Accountant, Sheila Christie, Public Member, and Andrea Goldberg, Public Member.

Absent: None

1. The public session of the Board convened at 8:45 am and adjourned at 12:15 am. The non-public session convened at 12:30 am and adjourned at 1:10 pm.
2. The minutes from the April 27, 2009 meeting were adopted with minor grammatical changes.
3. Marlene Gazda, CEO and Harold Williams, CPA, attended this meeting as representatives of the NH Society of CPA's.
4. **The following Newsletters were reviewed:**
  - A. **Nebraska State Board Report- 2008 Annual Letter**
    - >It was noted that Nebraska had a drop in the number of CPA permits for the period of July 1, 2008 through January 1, 2009.
    - >Mobility will take effect September 2010.
  - B. **Minnesota State Board of Accountancy-Spring 2009**
    - >No discussion
5. **General Correspondence Reviewed**
  - A. **NASBA Quarterly Communications**
    - >Highlights of the April 24, 2009 meeting of the Board of Directors.
    - >Minutes of the January 16, 2009 Board of Directors' meeting.
    - >Summary Report of the focus questions' responses submitted to the Regional Directors.
    - >Executive Summary of focus questions' responses.
      - >Comments on these documents are as follows:
        1. It was noted that 42 states have passed mobility and 5 more states have mobility pending; and
        2. It was noted in the focus questions' responses that many states have experienced deep economic problems; and
        3. That a number of Boards allow non-public accounting experience. The Executive Director will review this document and ascertain how many states allow non-public and the circumstances in which they will accept it; and
        4. The Board noted that at some point this Board will need to address the non-public vs public experience issue.

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**B. The Professional Ethics Executive Committee Regarding Immediate Family Member Task Force.**

>Board reviewed this document and although it was informative there were no comments.

**C. AICPA Exposure Draft April 28, 2009**

>The Board received only a copy of the cover page of this voluminous document and the full document will be sent to the Board members for their review via email.

**6. Correspondence Requiring a Response**

**A. Pensacola Christian College**

>A candidate for the CPA Exam had applied and was denied entry to the CPA Exam as this school is not accredited according to Ac 302.02 (b). The school wrote the Board and asked the Board to review its decision. The Board reviewed the entire rule and noted that the rule allows an individual to sit for the exam if from a non-accredited university if the candidate obtains an evaluation from a credential evaluation service, approved by this board that states that the candidate's degree was equivalent to a degree from an accredited university. Additionally the candidate must comply fully with Ac 302.02 (f). The school will be notified of the Board's findings.

**B. Felony Question in Regards to Certification**

>An individual wrote the Board and asked the following question: "If an individual had a 5<sup>th</sup> degree felony could he be certified as a CPA in New Hampshire?". The Board reviewed both RSA 309-B: 5 II and Ac 302.04. The rule is specific that "history" means the conviction at any time of a felony that has not been annulled by a court of competent jurisdiction. Therefore if an individual has one felony that has not been annulled, this would preclude that individual from being certified here in New Hampshire. In order for anyone with a felony to be certified in New Hampshire as a CPA the individual would have to have the felony expunged.

**C. Question on Experience**

>An individual asked the Board if working for the assurance department of a public accounting firm would satisfy the experience requirements. The Board reviewed the detailed job description and felt that the duties as listed would be considered public accounting.

**7. Old and New Business**

**A. Ethics Committee**

>Mr. Hanson updated the Board. The draft of the ethics course has been given to the Ethics Committee of the CPA Society and that committee will review the draft. and Mr. Harold Williams will arrange a meeting between representatives of the Board and the society to work out any concerns.

**B. House Bill 256 -Mobility Legislation**

>This legislation has passed the house and will be voted on by the full senate on Wednesday, May 20, 2009.

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- C. House Resolution 5716 Licensing of Tax Preparers**  
>Ms. Gazda presented the Board with an article from the AICPA entitled, "Federal Regulation of Tax Return Preparers". The Board asked that this article be included in the June agenda. This matter was briefly discussed and will remain on the agenda.
- D. Peer Review Oversight Committee**  
>No new information
- E. CPE for Board Meetings**  
>No discussion.
- F. International Standards (GAAP vs IFRS)**  
>A Board member commented that he was concerned regarding this matter and he felt that when you transition from a very specific rules based revenue recognition to a principle base revenue recognition, that this type of transition could lead to fraud.
- G. Board Budget for 2009 and Budget Request for 2010-2011**  
>Agencies are waiting for the Senate to pass the budget as amended by the House.
- H. Peer Assistance Program**  
>No discussion
- I. CPE Audit**  
>The majority of them are completed with only a few remaining.
- J. NASBA Committee Updates (UAA, Communications and CLEC)**  
>Mr. Hanson reported that he met with the CLEC on May 13<sup>th</sup> and 14<sup>th</sup>, 2009. The first day CLEC met by itself and on Friday the committee met with the AICPA Board of Examiners (BOE).

Mr. Hanson reported that the group spent considerable time on the internalization of the exam. Craig Mills of the AICPA, BOE committee, presented a power point presentation on this subject. Mr. Hanson requested a copy of the "business plan" for the internalization of the exam and he was told that it was in a draft form and was not available. Mr. Mills reported that himself and Ken Bishop of NASBA had visited 4 or 5 states to discuss this matter and had met with the New Hampshire Board and reported that NH was not in favor of the 3 year rule. This rule basically negated the candidates grades on the exam if he or she did not obtain certification within 3 years. Mr. Mills also stated that the BOE envisioned candidates signing an agreement that they would have to comply with individual Board's statutes and rules.

The Committee discussed the Internet and how that medium could play a role in bringing the CPA Exam to everyone in real time, and in the future a candidate would be able to avoid the 4-6 weeks waiting period.

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**J. Continued**

Mr. Hanson commented that he felt that the 120/150 study's focus was wrong and that the focus should have been on whether or not the 150 made a better CPA, not was the public harmed by candidates taking the exam at 120.

Several Executive Directors in the group expressed concern that there could be a basis for lawsuits due to discriminatory practices, in the exam as the demographic information such as gender and ethnicity was not being collected from each candidate. The information being requested regarding demographic information was not required as it is optional and could not be used to get a full picture of the demographic profile of the exam takers. Joe Cote of NASBA was going to bring this to NASBA's attention.

It was noted that starting in 2011 the AICPA will include International Accounting Financial Reporting Standards (IFRS) questions on the CPA Exam. They believe there will only be 5 or 6 questions in the beginning and up to five years before there will be a full body of questions.

The committee also addressed and discussed the possibility of asking ethical questions on the exam. The discussion included questions like; should the exam include situation ethics, and for US candidates versus international candidates, how would you construct the answer, should it be in essay form or multiple choice or part of a simulation? The NH BOA discussed the issue of ethics and the cultural differences that would apply to answering a question and how would that play into the coding of a right or wrong answer and several psychometricians expressed concerns about that issue.

**K. Exam Content**

>See J. above

**L. Meeting With Representative of New England Peer Review**

>The Executive Director of the Board and Ms. Gazda of the Society in conjunction with Pam Lemire of New England Peer Review will arrange a meeting for the June Board meeting.

**M. Society Update**

Mr. Chickering reported to the Board that himself and the Executive Director had met with representative of the society to discuss how the two organizations could improve their working relationship in order to better serve the public and the profession. From that meeting, the CPA Society invited Mr. Chickering and the Executive Director to address the Society Board of Directors on May 13, 2009. At the Society meeting, Mr. Chickering and the Executive Director expressed the BOA's commitment to improve the working relationship between the two entities. Ms. Gazda of the CPA Society reiterated the Society's commitment to this effort also. At the May 13, 2009 Society Board meeting the representatives of the two entities discussed matters effect both parties and that communication between the two entities is imperative and important to all stake holders. An item of concern was the possibility of regulating tax preparers. At this time both parties agree that educating the general public on what services CPA's offer and the difference between CPA's and non-licensed individuals is key.

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**M. Continued**

In an effort to educate the public the Society, who has previously aired public service announcements, has offered to work with the Board. If it is feasible the two entities will participate in those service announcements together. The Society also offered space on the website for the Board to place announcements and space in their newsletters.

As a basis for this initiative the agencies will develop a "Memorandum of Understanding". This document will hopefully ensure that as the demographics of the both agencies change, the mission of the agencies do not.

**N. Board Meetings at Colleges**

>The Board is scheduled to meet at Southern New Hampshire University on October 19<sup>th</sup> and UNH in November which will hopefully include St. Anselm's.

**8. The following applications for Certification as a Certified Public Accountant in New Hampshire were approved on May 18, 2009.**

Mohammad A.M. Abd-Al Hadi	4898
Jessica T. Ackerman	4899
Alibi Agaidarov	4900
Husam F. Bawared	4901
Anna Blacheva	4902
Le-Yao Chen	4903
Joumana K. El Jamal	4904
Yeldos Orynbayev	4905
Madina M. Sagnayeva	4906
Kristen Lee Skaling	4907
Yunhong Sui	4908
Angus W. Vitalis	4909
Xi Yang	4910

9. Upon the motion of Wayne Geher and the second of Sheila Christie, the Board, by roll call vote, resolved to conduct a non-public session for the purpose of discussing complaints of alleged licensee misconduct. This non-public meeting is authorized by RSA 91-A: 3,II (c), RSA 91-A: 3,II (e), RSA 91-A: 5, IV Lodge v. Knowlton, 118 N.H. 574 (1978) and the Board's executive and deliberative privileges. Each member recorded his or her vote on the motion, which passed by a unanimous roll call vote which is as follows:

Vote: Jefferson Chickering, Yea  
Andrea Goldberg, Yea  
Wayne Geher, Yea  
Deborah Butler, Yea  
Sheila Christie, Yea  
Richard O. Hanson, Yea  
Owen Walton, Yea

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- 10.** Upon the motion of Andrea Goldberg and the second of Richard Hanson, the Board, by roll call vote, resolved to withhold the minutes of the preceding non-public session from public disclosure pursuant to RSA 91-A:3, III on the grounds that public disclosure would be likely to effect adversely the reputation of a person other than a board member and to render the proposed action ineffective. Each member recorded his or her vote on the motion, which passed by a unanimous roll vote of all members present which is recorded as follows:

Vote: Jefferson Chickering, Yea  
Andrea Goldberg, Yea  
Wayne Geher, Yea  
Sheila Christie, Yea  
Deborah Butler, Yea  
Richard O. Hanson, Yea  
Owen Walton, Yea

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Deborah Butler, Secretary and Certified Public  
Accountant