

# MAINE STATE LEGISLATURE

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To: Marty V. Rosenthal

May 23, 1969

Subject: Certification of Certain Bureau of Taxation Personnel

Page Two

### ASSISTANT DIRECTOR SALES TAX

The definition of the "Assistant Director Sales Tax" includes:

"Supervision is exercised over the office and field staff engaged in processing collections and auditing accounts."

The work of the Assistant Director includes: "Assists in planning, organizing, and directing the collection of sales and use taxes including supervision of field audits and investigations."

Knowledge and skills required of this position include "Thorough knowledge of accounting and auditing principles and methods and their application to private accounting systems."

Desirable experience and training include "Considerable progressively responsible work in the field of auditing or tax administration; and graduation from a four-year college or university with specialization in accounting or business administration."

### CHIEF EXAMINER

The "Chief Examiner, Sales Tax" is defined as follows: "This is responsible technical and administrative work in organizing and directing the field staff in the Sales Tax Division of the Bureau of Taxation."

He "is responsible for planning, organizing, and directing the work performed by the field staff. Employee may be called upon to give advice to private business officials or interested citizens regarding accounting techniques and practices . . . ."

Work performed includes: "Plans, organizes, and supervises the activities of the field staff. Holds hearings or conferences with business officials to explain tax liability developed through audit. Attends meetings with general public, as requested, to explain . . . method of keeping records, preparation of returns and other related problems. Approves audit reports submitted by field staff before making formal assessment."

Knowledge and skills include: "Thorough knowledge of accounting principles and methods and their application to private accounting systems."

Desirable experience includes: "Considerable experience in progressively responsible auditing work including experience in supervising audits; and graduation from a four-year college or university with specialization in accounting or business administration."

### SALES TAX EXAMINER II

"This is independent skilled auditing work . . . . Under minimum supervision works alone or as an examiner in charge of an audit team in the field."

To: Marty V. Rosenthal

May 23, 1969

Subject: Certification of Certain Bureau of Taxation Personnel

Page Three

Examples of work include: "Supervises a group of sales tax examiners of lower grade engaged in examining tax returns and related documents . . . . Works as member of an audit team performing larger and more complex audits, and independently performs a major segment of the examination. Examines transactions of individual business, verifies taxpayer's accounts, evaluates internal controls and prepares audit working papers . . . ."

Required skills and knowledge include: "Considerable knowledge of accounting and auditing principles and methods. Some knowledge of various business accounting systems and controls. Ability to analyze and interpret accounting data and reports."

Desirable experiences includes: "Some experience in accounting and auditing; and graduation from a recognized four-year college or university with specialization in business administration or accounting."

#### SALES EXAMINER I

"Sales Tax Examiner I" is defined as "skilled auditing work of a more technical nature . . . . required to independently perform audits and examinations of a routine nature in a wide variety of retail business . . . ."

Examples of work performed include: "As a junior member of an audit team on more complex audits independently performs assigned portions of the work which are limited in scope and complexity. Works independently on tax audits in the field with a wide variety of sales and use tax registrants with limited supervision from a district supervisor. Assists district supervisor in a wide variety of assignments involving taxpayer instruction account servicing and delinquent accounts."

Required skills and knowledge include "working knowledge of accounting and auditing principles and methods."

Desirable experience: "Experience in sales tax examination work, and graduation from a recognized four-year college or university with specialization in business administration or accounting."

#### DIRECTOR, EXCISE TAX

The "Director, Excise Tax" directs the assessment and enforcement of the specified laws within his jurisdiction. The job specification does not include accounting or auditing skills or experience.

#### CHIEF EXAMINER EXCISE TAX

"Chief Examiner Excise Tax" is responsible "for determining that audits

To: Marty V. Rosenthal  
Subject: Certification of Certain Bureau of Taxation Personnel  
Page Four

are performed in accordance with generally accepted accounting procedures." He is required to have "thorough knowledge of accounting and auditing principles and methods and their application to private accounting systems." and "ability to analyze and interpret accounting data and reports and to instruct and advise field staff in proper work methods." It is desirable that he have "considerable experience in progressively responsible auditing work including experience in supervising audits; and graduation from a four-year college or university with specialization in accounting or business administration."

#### FIELD EXAMINER II

The position of "Field Examiner II" is "skilled auditing work in making general and special field audits of books and records." He audits more complex accounts than Field Examiners I. He is required to have a well rounded knowledge of accounting principles and methods.

His work includes making independent audits, supervising and participating in auditing the records of large and complex business organizations.

He is required to have "considerable knowledge of accounting and auditing principles and methods and their application to private, principal or other governmental accounting systems", "ability to evaluate accounting problems of moderate difficulty and to recognize and develop pertinent accounting and related information", "ability to analyze and interpret accounting data and reports and to instruct and advise subordinate field examiners in proper work methods."

It is desirable that he have "experience in progressively responsible auditing work in the special field to which assigned including for the municipal audit option experience in a public accounting concern or municipal auditing work."

#### FIELD EXAMINER I

The position of "Field Examiner I" is "auditing work of the beginning level in making general and special field audits of books and records of governmental units or private businesses." Audits may "relate to a single regulatory field or to general accounting practices." "Auditing work is usually limited to one type of fiscal records."

Work performed includes participating in "auditing and analyzing the accounting practices and the records of receipts and expenditures in state departments and divisions, counties, county courts, municipalities, and other local subdivisions; audit segments of local governmental

To: Marty V. Rosenthal  
Subject: Certification of Certain Bureau of Taxation Personnel  
Page Five

May 23, 1969

accounting systems under direct supervision of a higher level examiner; prepares reports of results of audit for review of higher level examiner", "audits books and records of vendors" and others.

He is required to have "some knowledge of accounting and auditing principles and methods and their application to private and governmental accounting systems."

It is desired that he have "experience in accounting or auditing work."

QUESTION:

Whether the described state positions are entitled to a certificate of the Board of Public Accountancy as public accountants pursuant to 32 M.R.S.A. §3985.

ANSWER:

All job classifications except Director, Excise Tax are "auditors" entitled to certification by the Board of Public Accountancy pursuant to 32 M.R.S.A. §3985.

REASONS:

The statute requires certification of state "auditors" or "comprehensive accountants". There appears nowhere in the statute a definition of accountant or auditor or educational qualifications. It becomes necessary therefore to look elsewhere for a definition.

Webster's Third New International Dictionary (unabridged) defines "accounting" as "the system of classifying, recording, and summarizing business and financial transactions in books of account and analyzing, verifying, and reporting the results. Black's Law Dictionary defines "accountant" as one who keeps accounts; a person skilled in keeping books or accounts; an expert in accounts or bookkeeping.

"Auditor" is defined by Webster as "one authorized to examine and verify accounts", Audit is defined as "a formal or official examination of books of account." "Audit" is defined by Black as "to hear; to examine an account; and in a broad sense it includes its adjustment or allowance, disallowance or rejection."

All of the job descriptions set forth above, except Director Excise Tax requires at least a working knowledge of accounting and auditing principles and methods.

The State Personnel Board in its descriptions of "Accountant I" and "Governmental Auditor I" require a working knowledge of accounting and auditing

To: Marty V. Rosenthal

May 23, 1969

Subject: Certification of Certain Bureau of Taxation Personnel

Page Six

principles and techniques.

For purposes of certification, those state positions which require accounting or auditing work and skills are entitled to certification by the Board of Accountancy

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