

**Connecticut State Board of Accountancy
Meeting Minutes
September 5, 2017**

The meeting was called to order by Chairman John H. Schuyler, CPA, at 10:00 A.M. in Hearing Room J, at 450 Columbus Boulevard, Hartford, Connecticut 06103

Board Members Present:	John H. Schuyler, Chairman	Certified Public Accountant
	Marcia L. Marien	Certified Public Accountant
	Peter J. Niedermeyer	Certified Public Accountant
	Timothy F. Egan (via conference call)	Certified Public Accountant
	Dannell R. Lyne	Certified Public Accountant
	Martha S. Triplett, Esq.	Public Member
	Mark Aronowitz	Public Member

Board Members Absent:	Karla H. Fox, Esq.	Public Member
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Board Vacancies:	Public Member
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DCP Staff Present:	Julianne Avallone, Legal Director
	Frank Virnelli, Manager
	Jerry Padula, Staff Attorney
	Robin Washbond
	Kellie Conover

Public Present:	Bonnie Stewart, Executive Director, CT Society of CPAs
	Dennis Spector

Note: The administrative functions of the Boards, Commissions and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division, 450 Columbus Boulevard, Hartford, CT 06103
Richard M. Hurlburt, Director: dcp.occupationalprofessional@ct.gov for minutes and agenda items
Agency Web site: www.ct.gov/dcp
Licensing/Certification: dcp.licenseservices@ct.gov
Enforcement issues: dcp.accounting@ct.gov

MINUTES OF PREVIOUS MEETINGS

Ms. Marien made a motion to approve the minutes of the August 3, 2017 Board meeting as amended. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

CPE EXTENSION REQUESTS

Douglas H. Greene

Ms. Marien made a motion to amend the previous motion and grant an extension to August 1, 2017 instead of July 31, 2017. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

ENFORCEMENT AND COMPLAINTS

Case #2016-103 – Proposed settlement

Ms. Marien made a motion to refer this matter to the DCP Commissioner for a determination, to achieve a resolution in a timely manner due to a lack of a quorum. The motion was seconded by Mr. Lyne. All present board members voted in favor.

Attorney Dennis Spector appeared before the board on behalf of the complainant and urged the board to refer the case to the DCP Commissioner to avoid additional delay in settling this case.

OLD BUSINESS

Nano-Learning Policy

Mr. Virnelli stated that after discussing the issue with others in the Legal Division, they had determined that the wording of the current regulations do not allow nano-learning. The only way to allow nano-learning would be to change the regulations. The choice is to either submit only the CPE section for revision, or to submit the entire regulations for revision. Submitting only the CPE section would make the process shorter by about six months.

Julianne Avallone, Director of the Legal Division, discussed the regulatory process, and recommended submitting all changes at once. The Board agreed to follow Ms. Avallone's recommendation.

Regulations Update

The Board agreed to keep the wording of the proposed revisions to the regulations with the following exceptions:

Ms. Marien made a motion to remove proposed subsections (c),(e) and (f) of Section 20-280-25. The motion was seconded by Mr. Lyne. All present board members voted in favor.

Ms. Marien made a motion to delete all of Section 20-280-28 if there are no more Public Accountants in Connecticut. The motion was seconded by Mr. Lyne. All present board members voted in favor.

Mr. Virnelli said he would research Public Accountants.

Mr. Niedermeyer made a motion to replace “footnotes’ with “notes to the financial statements” in Section 20-280-15b(9), and to add that term to the list in the last sentence of that section. The motion was seconded by Ms. Triplett. All present board members voted in favor.

Use of Titles – Board response to NASBA about proposed revisions to the Uniform Accountancy Act

Chairman Schuyler stated that Kansas has a valid point that the reference in the UAA to the CGMA title could be construed as an endorsement, and we have no business endorsing other titles. Ms. Marien questioned if the Board would have the authority to take action against those with unregistered titles. Mr. Virnelli informed the Board that the letters from Kansas, Virginia and Guam that he had forwarded to them were representative of the general opinions he had heard at the national meetings he had attended. Mr. Niedermeyer noted that there were titles that could be confusing to the public. Bonnie Stewart, Executive Director, CT Society of CPAs, said that the language brings more clarity and does not read as an endorsement. She said she could see fortune 500 companies in Connecticut taking up credentials. She added that every model law that comes before the Connecticut legislature has been modified in one way or another. Chairman Schuyler said he likes the language, but suggests that, like Kansas, they put in language that this should not be considered an endorsement of any specific title or accounting association. Mr. Lyne stated that it could be misleading if someone used only the title CGMA, joined the AICPA, and put that on letterhead.

Ms. Triplett made a motion to include the following sentences in the letter: “We urge the consideration of an amendment to the proposed section 14(q) to state ‘the regulations herein are not meant to be an endorsement of any specific title or accounting association.’” and “We are concerned that the acronym “AICPA” refers to two different organizations, the American Institute of Certified Public Accountants, and the Association of International Certified Professional Accountants. The juxtaposition of the acronyms with certifications other than “Certified Public Accountant” could be confusing to the public.” The motion was seconded by Mr. Aronowitz. All present board members voted in favor.

Ms. Triplett made a motion to accept the comment letter to NASBA. The motion was seconded by Mr. Aronowitz. All present board members voted in favor.

September 7, 2017

J. Coalter Baker, CPA
NASBA UAA Committee
150 Fourth Avenue North #700
Nashville, TN 37219

Dear Committee Members:

You have asked for comments on the exposure draft regarding the proposed amendments to section 14 (Amendments) of the Uniform Accountancy Act (UAA) pertaining to the use of titles. The Connecticut State Board of Accountancy (Board) has reviewed and discussed those changes on a number of occasions over the past year. The Board has no concern with the language as proposed, and is in favor of including the Amendments in the UAA.

In the view of the Board, the Amendments would simplify and make more reasonable how professionals use titles by making it clear what can and cannot be used. They also include safeguards. For instance, proposed section 14(q)(1) limits the use of management titles to those designated by bona fide nationally recognized accounting organizations. This would prevent the proliferation of invented titles, and would allow boards to take action against those who use unrecognized titles. We urge the consideration of an amendment to the proposed section 14(q) to state “the regulations herein are not meant to be an endorsement of any specific title or accounting association.”

Another protection is the language of proposed section 14(q)(2), which limits what individuals using management designations can do. Specifically, individuals would still have to have a CPA license or practice privilege in order to perform audit, attest or compilation services for the public, and would not be able to use a management title while performing tax services unless those services were performed for a CPA firm that holds a valid permit. And as to firms, individuals could not establish, participate in or promote a firm that is marketed by using a management title unless the individuals have a CPA license or practice privilege, AND the firm itself has a valid CPA permit. The Board considers these provisions adequate to safeguard the public from being misled.

As to whether to include the language in the UAA, we also note that it would still be up to each jurisdiction to allow the use and regulation of management titles. We recognize that there are states that incorporate the UAA by reference into their statutes, and that in order to prevent management titles those states would have to affirmatively reject the Amendments in their statutes. Most states, however, would not have to do that. In most cases, the debate as to whether or not to allow management titles would have to take place once again – this time in the state’s legislature – before such titles were allowed by law. In addition, each jurisdiction that does change its law would be using the same language as all of the other jurisdictions that also allow management titles. This uniformity would made regulation of management titles easier across jurisdictional lines for those states that adopt the Amendments.

We are concerned that the acronym “AICPA” refers to two different organizations, the American Institute of Certified Public Accountants, and the Association of International Certified Professional Accountants. The juxtaposition of the acronyms with certifications other than “Certified Public Accountant” could be confusing to the public.

In summary, the Connecticut State Board of Accountancy is in favor of including provisions for the regulation of management titles in the UAA.

Sincerely,
Connecticut State Board of Accountancy

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

- Bonnie Stewart, Executive Director, CT Society of CPAs, stated that CPE reciprocity is a big push nationwide that they will be seeking legislatively this year and there is language that has been proposed by the AICPA statutorily, legislative changes, so that all the states are on a level playing field.
- Ms. Stewart stated that the AICPA released their final standards on August 31, 2017 with very few changes from their last draft. The CT Society of CPAs is looking into a joint venture with New England Peer Review. Ms. Stewart said the merger opportunity is the best bet for the CT Society of CPAs as NEPR has a very high quality program and their members are very happy and pleased with the program. They plan to discuss this at the next Society board meeting, with additional meetings thereafter with New England Peer Review. The CT Society of CPAs will report back to the Board to share additional information.
- Ms. Stewart encouraged the Board to look at the issue of Firm Mobility now because Firm Mobility and CPE Reciprocity are two issues the AICPA would like Connecticut to move forward this coming legislative session.
- Ms. Avallone introduced Kellie Conover to the board. Kellie is the new secretary to the DCP Legal Division, and will be responsible for case processing, correspondence and support in a number of different areas.
- Chairman Schuyler reminded the Board of the NASBA Annual Meeting, October 29 – November 1, 2017 in New York City, and asked if any board members wish to attend as a representative of CT.

ADJOURN

Ms. Marien made a motion to adjourn the meeting at 11:59 a.m. The motion was seconded by Mr. Niedermeyer. All present board members voted in favor.

Next scheduled meeting: Thursday, October 5, 2017, at 10:00 a.m., in Hearing Room J, 450 Columbus Blvd., Hartford.