

**Connecticut State Board of Accountancy
Meeting Minutes
November 7, 2017**

The meeting was called to order by Chairwoman Pro Tem Marcia Marien, CPA, at 10:00 A.M. in Hearing Room J, at 450 Columbus Boulevard, Hartford, Connecticut 06103

Board Members Present:	John H. Schuyler, Chairman (Via teleconference)	Certified Public Accountant
	Marcia L. Marien (Chairwoman Pro Tem)	Certified Public Accountant
	Peter J. Niedermeyer	Certified Public Accountant
	Martha S. Triplett, Esq. (Via teleconference)	Public Member
	Mark Aronowitz	Public Member

Board Members Absent:	Timothy F. Egan	Certified Public Accountant
	Dannell R. Lyne	Certified Public Accountant
	Karla H. Fox, Esq.	Public Member

Board Vacancies: Public Member

DCP Staff Present: Karen Perham-Lippman, Deputy Commissioner
Frank Virnelli, Manager
Robin Washbond
Kellie Conover

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

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

The Board tabled approval of the October 5, 2017 minutes until later in the meeting due to lack of a quorum at 10:00 A.M.

A quorum was present at 10:08 A.M.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

None

OLD BUSINESS

Regulations Update

Frank Virnelli informed the board that the draft of the proposed revised regulations was reviewed by the CT Society of CPA's, and is now placed into the statewide regulation system where it moves to OPM later this week, followed by the Governor's office. At some point within the next four months there will be a 30-day public comment period followed by a review by the Attorney General's Office and the Legislative Regulation Review Committee. Mr. Virnelli said the regulations are approximately eight months away from being approved.

Potential Statutory Changes: Firm Mobility/CPE Reciprocity

Mr. Niedermeyer expressed his concern that because New York does not allow non-CPA owners of firms, but Connecticut does, firm mobility would put Connecticut firms at a disadvantage to New York firms that would be able to practice in Connecticut, but Connecticut firms would not be able to practice in New York. Bonnie Stewart, Executive Director, CT Society of CPAs, said it was her understanding that firms would have to meet the standards of the state with the higher standard. She said it was more a financial question. If a firm qualified in Connecticut, it wouldn't have to pay to audit in the state. Ms. Stewart said she could get language for a bill by the next Board meeting. Also, she would provide more information as to how CPE reciprocity would work.

2018 Board Meeting Dates:

January 4, March 1, May 3, July 10, September 6, November 1

Mr. Niedermeyer made a motion to approve the 2018 board meeting dates. The motion was seconded by Mr. Schuyler. All remaining board members voted in favor.

NEW BUSINESS

Input to NASBA Task Force regarding AICPA

Chairwoman Pro Tem Marien said that she was at the AICPA meeting and voted for the change. She said at that meeting it was argued that private accountants don't have a

professional organization to oversee them. They need such an organization for entry, ethics, and rules. Companies are looking for that. So, the CGMA designation was created through CIMA to create a second profession. CIMA will oversee CGMA, and the American Institute of CPAs will oversee CPAs, with the Association of International Certified Professional Accountants over both. Mr. Aronowitz stated that Jack Daily wants each state board to report back to him. He said that this issue blew up at the Annual Meeting, first on Tuesday morning at the regional meeting, where this topic was discussed almost the entire time. The NASBA CEO received complaints that NASBA was not doing enough, so the RITF was formed. NASBA wants to address issues before they become problems. There are also contractual issues, the main one being the agreement between NASBA and the AICPA for the exam. The American Institute of CPAs is now just a shell; most have moved to the newer entity.

Mr. Schuyler said the committee is a great idea. He is concerned about using the acronym for two different things. The relationship between NASBA, state boards, regarding peer review and testing is critical, so we have to make sure nothing funny comes out of the reorganization. He does think they should change the acronym. Mr. Niedermeyer said he feels they have blurred the lines. Chairwoman Pro Tem Marien commented that we should tell Jack Daily that we support the effort; we would like more information from the AICPA. She added that at the AICPA meeting, there was concern of diluting the CPA designation, so they split the entity. Mr. Schuyler said that when they go through the process, they may find that there is no issue.

Mr. Aronowitz said that at the NASBA Annual Meeting there was a feeling that there was a weakening of the CPA designation, that it would be confusing to the public, that putting "AICPA" on letterhead for a CGMA could be misconstrued that the person is a CPA, and that the AICPA is doing this for revenue. He added that Barry Melancon, President of the AICPA was the last speaker at the Annual Meeting. Mr. Melancon told those at the meeting that it allowed them to integrate operations and management, and it was part of the change of management process; and he added that 85% of the AICPA voted in favor of the change. Chairwoman Pro Tem Marien said those concerns were brought up at the AICPA meeting. Her personal opinion is that it was done for the AICPA to remain relevant. There are now more CGMAs in private accounting than in public accounting for the first time.

Mr. Schuyler made a motion to tell the RITF that it supports Mr. Daly's efforts to gather more information to eliminate the uncertainties caused by the AICPA's action. The motion was seconded by Ms. Triplett. All remaining board members voted in favor.

Document Board Procedures

Mr. Schuyler stated that he and Mr. Virnelli will draft an outline of Board procedures to present at the next meeting.

NASBA Annual Meeting

Mr. Aronowitz attended NASBA's 110th Annual Meeting held October 29-November 1, 2017 in New York City. He provided an overview of some of the information presented at the conference and noted that the theme of the conference was the evolving profession and the

future of the CPA firms. Among the topics were the changing technology, Blockchain, cloud computing, demographic change of millennials; investors and stake holders and their changing needs from what they obtain from CPA firms; Peer Review program administration and the new CPA examination.

CPE/EXAM EXTENSION REQUEST

Igor Yergoroff – Requesting waiver of CPE

Ms. Triplett made a motion to waive the \$315.00 penalty fee. The motion was seconded by Mr. Schuyler. All remaining board members voted in favor.

Nicole Mckee – Requesting exam extension

Ms. Triplett made a motion to approve an extension to June 30, 2018. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

Mr. Niedermeyer made a motion to add Nicholas Naclerio to the agenda. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

Nicholas Naclerio – Requesting exam extension

Mr. Niedermeyer made a motion to deny this request for an extension. The motion was seconded by Mr. Schuyler. All remaining board members voted in favor.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Bonnie Stewart, Executive Director, CT Society of CPAs, provided an update on the status of the CT Society of CPAs 3-year joint venture with New England Peer Review and offered to address any concerns of the Board.

ADJOURN

Ms. Triplett made a motion to adjourn the meeting at 11:15 A.M. The motion was seconded by Mr. Aronowitz. All present board members voted in favor.

Next scheduled meeting: Thursday, January 4, 2018, at 10:00 A.M., in Hearing Room J, 450 Columbus Blvd., Hartford.