

**Connecticut State Board of Accountancy
Meeting Minutes
March 5, 2019**

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 <i>via phone</i>	Certified Public Accountant
	Peter J. Niedermeyer	Certified Public Accountant
	Timothy F. Egan	Certified Public Accountant
	Dannell R. Lyne <i>via phone</i>	Certified Public Accountant
	Mark Aronowitz	Public Member

Board Members Absent:	Martha S. Triplett, Esq.	Public Member
	Karla H. Fox, Esq.	Public Member

Board Vacancies: Public Member

DCP Staff Present:	Frank Virnelli, Manager
	Robin Washbond
	Asli Awale - Intern

Public Present: Cindy Panioto – 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

Mr. Niedermeyer made a motion to approve the minutes of the January 8, 2019 Board meeting. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

OLD BUSINESS

Regulations Update

Mr. Virnelli reported that the new regulations were approved February 14, 2019 and are now in place, and that the regulations reflect the Model Rules more than before and most importantly fractional time can be used for CPE. Mr. Virnelli added that he contacted the CT Society of CPAs and they will reach out to inform their members, and the Department is releasing a mass email to notify all licensees.

Continuous CPA Exam Testing

Mr. Virnelli stated that he contacted Ed Barnicott who serves as NASBA's Vice President of Strategic Planning and Program Management, concerning the question: if there were continuous testing, how quickly could a candidate retake an exam section? Mr. Barnicott's response was that the only limitation on how often a candidate could take a particular section is the score from any previous attempt of the same section must be received by NASBA from the AICPA. As an example, a candidate might take 'Audit' on January 15, 2020; then decide to sign up immediately on January 20th to retake it. NASBA would accept the authorization to test from the Board, but would not issue a notice to schedule to the candidate until they receive a score for the previous attempt.

Commissions and Contingent Fee – Proposed Legislative Changes

Mr. Niedermeyer said he contacted Bonnie Stewart, Executive Director, CT Society of CPAs and that she indicated that they are currently fully involved with proposed changes to the sales tax on services and changes to the licensing fees, but she will reach out to their contract lobbyist concerning putting through this legislation.

NEW BUSINESS

AICPA Peer Review Oversight Handbook Chapter 3 Revisions

Mr. Virnelli stated that a request for feedback was received from the AICPA on their Proposed Revisions to Chapter 3 of the Peer Review Oversight Handbook, and that he has forwarded the materials to the Board for their review and comments.

CPE Course Qualification

Mr. Virnelli brought forth a request from a CPA who had recently taken a certified fraud examination preparation course to become a certified fraud examiner and is claiming that studying for and taking the course qualifies for the CPA Continuing Professional

Education. Mr. Niedermeyer commented that the issue is that it is a self-study course and it is not meeting the NASBA requirement that she actually took the course and completed the materials. After further discussion, the Board determined that more information is needed from the CPA and she should submit a certificate from the course and syllabus for further review.

Peer Review Update:

Peer Review Audit Status

Mr. Virnelli reported that the Peer Review Audit is continuing and that the plan is to look at everyone and flag those with issues for follow up.

Mr. Virnelli introduced DCP intern Asli Awale to the Board. Ms. Awale is working in the Legal Division assisting with the Peer Review Audit.

Status of Peer Review Transition

Chairman Schuyler asked Cindy Panioto, CT Society of CPAs, to arrange to have a representative from the Society comment on this matter at the next meeting.

Settlement Agreement

Mr. Niedermeyer made a motion to accept the settlement agreement as presented by DCP. The motion was seconded by Mr. Lyne. All remaining board members voted in favor.

NASBA Regulatory Response Committee

Chairman Schuyler discussed a review by the Regulatory Response Committee of three in process NASBA comment letters on the following exposure drafts: ***'Staff Augmentation Arrangements Interpretation'***, ***'Proposed International Standards on Related Services 4400 (Revised) -Agreed-Upon Procedures Engagement'*** and ***'State and Local Government Client Affiliates'***. Chairman Schuyler said there is strong resistance across the board to the staff augmentation. He continued that the comment letter relating to Agreed-Upon Procedures was good and that the Committee said Agreed-Upon Procedures have to be independent and that there is no reason to open the door to non-independent Agreed-Upon Procedures. Chairman Schuyler said the Committee did not have time to review or comment on the last exposure draft and the due date for a response is March 11th, and he would appreciate and pass along any comments from Board.

CPE/EXAM EXTENSION REQUESTS

Continuing Professional Education:

Andrew Glassman – Requesting extension of CPE requirements for good cause

Ms. Marien made a motion to approve an extension. The motion was seconded by Mr. Egan. All remaining board members voted in favor.

Examination:

Andrew Snell (BEC)- Requesting extension

Mr. Niedermeyer made a motion to deny this request. The motion was seconded by Mr. Aronowitz. All remaining board member voted in favor.

Kelsey Sullivan (BEC)- Requesting extension due to medical hardship

Mr. Egan made a motion to approve this request. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Mr. Niedermeyer commented that the Connecticut pass-through entity tax was creating financial statement GAAP issues. He continued that there are two schools of thought; some people are treating it as an income tax expense; others are treating it as a distribution to shareholders. FASB has said that either position is supportable. Mr. Niedermeyer stated that it seems illogical that the same transaction is accounted for in two different ways. He had hoped the Emerging Issues Task Force would take it up. But that is a 12 to 18 month process.

ADJOURN

Mr. Aronowitz made a motion to adjourn the meeting at 10:55 A.M. The motion was seconded by Ms. Marien. All remaining board members voted in favor.

Next scheduled meeting: Tuesday, May 7, 2019, at 10:00 A.M., in Hearing Room J, 450 Columbus Blvd., Hartford.