

**Connecticut State Board of Accountancy
Meeting Minutes
November 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
	Peter J. Niedermeyer	Certified Public Accountant
	Dannell R. Lyne	Certified Public Accountant
	Marcia L. Marien (via phone)	Certified Public Accountant
	Timothy F. Egan	Certified Public Accountant
	Mark Aronowitz (via phone)	Public Member
	Karla H. Fox, Esq.	Public Member
	Martha S. Triplett, Esq. (via phone)	Public Member

Board Members Absent: None

Board Vacancies: Public Member

DCP Staff Present: Frank Virnelli, Manager
Cat Arsenault
Robin Washbond

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

Mr. Niedermeyer made a motion to approve the minutes of the September 5, 2019 Board Meeting as amended. The motion was seconded by Mr. Lyne. All remaining board members voted in favor.

OLD BUSINESS

NASBA Annual Meeting

Chairman Schuyler attended NASBA's Annual Meeting held October 27-30, 2019 in Boston. He provided an overview of some of the information presented at the conference:

Chairman Schuyler said the **CPA Examination** presentation explained how the exam has changed in its content and the science behind how the questions and essays are developed and graded, using psychometricians to create valid, reliable and fair exams. The **International Profession** – Chairman Schuyler said that global 'findings' on inspections are going down, and restatements are going down; and he said that only 25% of countries are on the accrual method; and that there was a lot of discussion on whether you can do a quality modern audit and not have various non-audit specialties in house; **Licensing model** which gets tied to testing, computerization and systems, Chairman Schuyler said that from 1980 to now there are three times as many pages of tax standards, four times as many pages of accounting standards and five times the pages of auditing standards. He added that there is a big discussion whether the 150-hour rule continues to make sense and how much should the profession and regulators be involved in specifying courses. Chairman Schuyler said changes are coming soon concerning the **Communications with successor auditor after resignation due to client wrongdoing**; and he reported that given the change in the use of data and tech in the audit, **PCAOB** is looking at whether their standards can be an impediment to the use of new auditing tools. **Peer Reviews**-NASBA is proposing changes to 'Rule 7' of the UAA regarding peer reviews to make them more transparent to PROC's. Chairman Schuyler emphasized the big issues: the licensing model, the proposed change to licensure and the exam, the new populist push against any form of licensure as impediment to free trade, and the exam change to continuous testing.

Peer Review

Bonnie Stewart, CTCPA, said there has been an increase in consistency with peer review. There has been a lot of time and effort into clarifying the guidance, as some firms were using outdated guidance. The CTCPA has two people on staff working with PRIMA, the AICPA's peer review system. Those staff members are working with firms on how to use the PRIMA software, as things were getting lost in space. The problems are being addressed. At the AICPA peer review conference in August the concern with familiarity was addressed. Ms. Stewart said that is not an issue in Connecticut because

Connecticut does only Connecticut cases and Massachusetts does only Massachusetts cases and the two states have agreed to mix their RABs (Report Acceptance Bodies). Neither Connecticut nor Massachusetts wants to combine with other states. Peer Review program oversight is coming later this month. If there are any concerns, there will be the opportunity to fix them before January, when we start the true benchmarking. They are not discussing going with NEPR (New England Peer Review). To the question of the number of people in Connecticut who are doing peer review, Ms. Stewart admitted that Connecticut has been identified as being at risk because of the number of reviewers. She said that the Society is recruiting. She asked that if anyone is aware of people who could do peer review to let the Society know.

Firm Mobility Propose Legislation?

Ms. Stewart said that firm mobility continues to be an issue. Connecticut is in the minority. This was brought up last year. The Board approved the proposal, and the Society brought it to the legislature. Because it would have cost the state close to \$45,000, the legislature said no. She said that if the State Board of Accountancy still agreed, she would raise it with the legislature. Chairman Schuyler said that Connecticut is in the minority and it is a large minority. Ms. Stewart said firms are discouraging their accountants from becoming CPA's because they are not signing documents and due to the licensing fee.

Ms. Fox made a motion that the State Board of Accountancy requests that the Department of Consumer Protection resubmit the legislation regarding firm mobility and if that is not practicable, the State Board of Accountancy goes on record to support the passage of such legislation. The motion was seconded by Ms. Marien. All remaining board members voted in favor.

Ms. Marien left the meeting at 11:00 AM.

Status of Revisions to Regulations

Mr. Virnelli said that the proposed regulations had been forwarded to DCP's internal Regulations Committee. But they had not yet been entered into the state system. There was a discussion that included Ms. Stewart, about changes by NASBA to the Model Rules and whether the Connecticut regulations should be changed to reflect the new language.

Ms. Fox made a motion to request that Connecticut regulations be revised to reflect the changes made by NASBA to the Model Rules that pertain to peer review. The motion was seconded by Ms. Triplett. All remaining board members voted in favor.

EXTENSION REQUESTS:

Continuing Professional Education:

Jan Cohen – Seeking CPE extension

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

William P. Suprono – Seeking a waiver of CPE

Mr. Egan made a motion to deny the waiver and offer an extension to December 31, 2019. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

Joseph J. Garvis – Seeking extension to December 31, 2019 due to medical reasons

Mr. Lyne made a motion to approve the extension to December 31, 2019. The motion was seconded by Ms. Triplett. All remaining board members voted in favor.

Mr. Lyne made a motion to add Ida Long to the agenda. The motion was seconded by Ms. Fox. All remaining board members voted in favor.

Examination:

Chelagat N. Misiko – Seeking extension due to medical reason

The board took no action on this matter.

Francesca A. DeBonis – Seeking extension to March 2020 for good cause

Mr. Lyne made a motion to approve the extension to March 2020. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

Ida Long – Seeking extension to November 30, 2019 due to medical reason

Mr. Lyne made a motion to approve an extension to December 31, 2019. The motion was seconded by Ms. Triplett. All remaining board members voted in favor.

2020 Board of Accountancy Meeting Dates

Tuesday, January 7, 2020

Tuesday, March 3, 2020

Tuesday, May 5, 2020

Tuesday, July 7, 2020

Thursday, September 3, 2020

Tuesday, November 3, 2020

Mr. Egan made a motion to accept the 2020 Board of Accountancy meeting dates. The motion was seconded by Ms. Fox. All remaining board members voted in favor.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Ms. Stewart commented regarding licensure, which she said is a legitimate battle in many states, but it won't be in Connecticut because she says the state can't go without your funds. Ms. Stewart said Connecticut tends to over regulate and the state will not go without the licensing fees.

ADJOURN

Mr. Lyne made a motion to adjourn the meeting at 11:40 A.M. The motion was seconded by Ms. Fox. All remaining board members voted in favor.

Next scheduled meeting: Tuesday, January 7, 2020 at 10:00 A.M., in Hearing Room J, 450 Columbus Blvd., Hartford.