

**Connecticut State Board of Accountancy  
Meeting Minutes  
January 7, 2020**

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 <i>via phone</i>	Certified Public Accountant
	Timothy F. Egan	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
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DCP Staff Present:	Frank Virnelli, Manager
	Robin Washbond

Public Present:	Cindy Panioto, CT Society of CPAs
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**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](mailto:dcp.occupationalprofessional@ct.gov) for minutes and agenda items  
Agency Web site: [www.ct.gov/dcp](http://www.ct.gov/dcp)  
Licensing/Certification: [dcp.licenseservices@ct.gov](mailto:dcp.licenseservices@ct.gov)  
Enforcement issues: [dcp.accounting@ct.gov](mailto:dcp.accounting@ct.gov)

## **MINUTES OF PREVIOUS MEETINGS**

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

Mr. Niedermeyer made a motion to rearrange the order of today's agenda items and place voting issues first on the agenda. The motion was seconded by Mr. Lyne. All remaining board members voted in favor.

## **COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY**

None

## **OLD BUSINESS**

### **Status of Legislation**

Mr. Virnelli said that DCP was pursuing two statutory changes that affect accountancy. One will change section 20-281c(c) to allow candidates who have 120 hours of education to take the exam. They would not need a degree to take the exam as is currently required. The other is to change section 20-281k(c) to require licensees to keep their work product and work papers for a minimum of seven years. Cindy Panioto from the Connecticut Society of Certified Public Accountants (CTCPA) reported that the CTCPA was pursuing three bills. One is to change the statutes pertaining to commissions and referral fees. Another is legislation to allow firm mobility. The CTCPA is using the language from the 2018 bill. The last bill has to do with CPA reciprocity. She said reciprocity was adopted in 2018, but is out of sync other states. They will work on the language.

Chairman Schuyler said that the Board should put together a schedule to queue up potential legislation for next year's legislative session. Mr. Virnelli said that for the most recent session DCP personnel were asked on August 14 for input regarding potential legislation, and had to make submittals by September 5. The Board agreed that it would put legislation on the agenda for the July meeting.

### **Status of Revisions to Regulations**

Regarding the regulatory changes, Mr. Virnelli said that unfortunately the changes had not been submitted to OPM yet. Mr. Virnelli said he asked if it were possible to separate the section that would allow continuous examination taking and get it through by April 1. Chairman Schuyler said that we and one other state were the two that anticipated needing the most time to change the law. He said the other state announced it would simply not enforce the requirement and so allow continuous testing.

## **NEW BUSINESS**

### **Evolution of the Profession**

Mr. Virnelli shared with the Board his notes from the December 18, 2019 NASBA webinar about the Evolution of the CPA:

All must demonstrate core competencies and with no negative impact on the candidates who are currently in the pipeline. The core needs to include technology which is used more and more in the profession and the education requirements should align with the core. They don't want to 'water down' the exam by adding more to the exam or let the exam or educational requirements become a barrier to entry into the profession. Looking at other professions, they like what engineering does. It has a core and then numerous specialties. They want to focus on a strong core of accounting, auditing, taxation, and technology that all candidates would complete, and then they would add deeper knowledge in three disciplines: tax compliance and planning, business reporting and analysis, and information systems and controls. Input was gathered from exam experts and feedback from CPA's on what is important and not important. Most important was audit and attestation, principles and intermediate accounting, fundamentals of information systems and analytics, and tax fundamentals. Of least importance was advanced accounting, information systems, and taxation. The CPAs saw the benefits to be that the core would be protected, a CPA would still be a CPA; the profession would have the flexibility to evolve; more technology and deeper knowledge. Challenges include attracting techies; the university curricula, especially at smaller schools; must everyone pick a discipline; and the regulatory environment: there would need to be statutory and regulatory changes. From here, they are going to build a model. There should be drafts by the regional meetings. They will continue the dialogue in 2020. They will finalize a model by the summer of 2020, with a more finalized model that includes a plan and map of implementation, by the fall/annual meeting.

### **Declaratory Ruling Request of Blum Shapiro**

After Mr. Niedermeyer left the room, Mr. Virnelli said that Mr. Niedermeyer had submitted a question about Connecticut law versus the law of another state. Specifically, he asked if a firm that has a Connecticut permit, but also has offices in another state that allows paying a fee or commission to obtain a client, is violating Connecticut law if someone in the other state pays a fee to get a client in that other state. Also, does it matter if the check making that payment is physically cut in Connecticut? Chairman Schuyler said that to say it is a violation of Connecticut law appears to be putting form over substance. The key actions, he noted, are taken in another state within a structure required in another state. Mr. Egan said that when the laws against allowing fees and commissions were written the presumption was that the law covered Connecticut licensees who were doing it in the state. Mr. Lyne said that the law is applicable to Connecticut, unless there is something in the statutes to connect it. Chairman Schuyler said we oversee only Connecticut. He said there was an issue years ago when Massachusetts consultants came to Connecticut and paid fees and we had to put a stop to that. But that was in Connecticut. He said when other states began changing their laws in the 80s the Society (the Connecticut Society of Certified Public

Accountants) did not support the changes. The membership has now changed and the Society is no longer opposed.

### **Board Discussion**

A CPA had contacted members of the Board seeking answers to questions he had. He asked, regarding a former client, if he had a professional responsibility to provide a successor tax preparer/CPA with his tax software's data file or a pdf of the former client's tax return. Alternatively, did he have an obligation to the former client to provide a pdf of the tax return or a copy of his tax software's data file? Mr. Virnelli said that there is no requirement in our statutes or regulations to the tax preparer/CPA. In fact, without the former client's permission, a CPA cannot transfer the client's records to another. He said that the statute requires the CPA to return a client's original records and the regulations require a licensee to make available work papers which contain information not reflected in the client's original books and records but without which the client's financial information would be incomplete. He said he was unsure what the tax software's data file would be considered.

Chairman Schuyler said any intermediary document necessary to get from the original documents to the final product you would have to turn over. Mr. Lyne said the software is the firm's software. The client could have a copy of the return, but not the data file. He said the successor tax preparer/CPA is trying to avoid manual input and save time. He said his firm might give the data file as a courtesy to certain clients. All agreed that the client should be given a copy of the return. Mr. Schuyler said it sounds like the successor is trying to use the old firm's labor to make their time easier, and the old firm could legally withhold the data file because it's their work product. Mr. Lyne agreed, adding as long as the client has a copy of the return.

### **EXTENSION REQUESTS:**

Ms. Marien made a motion to add the following extension requests to the agenda: Lisa Safian, Lindsay Kendrick, Gregory Sandor and Kerona Richards. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

### **Continuing Professional Education:**

#### **James L. Mason – Seeking extension to December 10, 2019 due to medical reasons**

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

#### **Lisa Safian – Seeking extension to December 31, 2019**

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

**Lindsay Kendrick – Seeking extension due to medical reasons**

Mr. Niedermeyer made a motion to grant an extension. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

**Gregory Sandor – Seeking extension to December 11, 2019**

Mr. Egan made a motion to approve an extension to December 11, 2019. The motion was seconded by Mr. Niedermeyer. All remaining board members voted in favor.

**Examination**

**Kerona Richards – Seeking extension to December 31, 2020 due to medical reasons**

Mr. Niedermeyer made a motion to approve a six-month extension. The motion was seconded by Mr. Lyne. All remaining board members voted in favor.

**COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY**

Mr. Virnelli noted that Robin Washbond, Board Secretary, is retiring from state service, and that this was her last State Board of Accountancy meeting. He added that he always enjoyed working with her, at DCP and back to their days at the Division of Special Revenue. The Board members all wished Robin well in retirement.

**ADJOURN**

Mr. Lyne made a motion to adjourn the meeting at 10:50 A.M. The motion was seconded by Mr. Aronowitz. All remaining board members voted in favor.

Next scheduled meeting: Tuesday, March 3, 2020 at 10:00 A.M., in Hearing Room J, 450 Columbus Blvd., Hartford.