

**Connecticut State Board of Accountancy
Meeting Minutes
November 09, 2021**

The meeting was called to order by Chairman John H. Schuyler at 10:05 AM via ZOOM Webinar.

Board Members Present: John H. Schuyler, Chairman, Public Member
Timothy F. Egan Certified Public Accountant
Karla H. Fox, Esq., Public Member
Dannell R. Lyne, Certified Public Accountant
Marcia L. Marien, Certified Public Accountant
Martha S. Triplett, Esq. Public Member

Board Members Absent: Peter J. Niedermeyer, Certified Public Accountant

Board Vacancies: Two Public Members

DCP Staff Present: Robert M. Kuzmich, Architect Emeritus, Lic./App. Specialist
Frank Virnelli, Manager
Cat Arsenault, Staff Attorney

Public Present: Bonnie Stewart, CT Society of CPA's

Note: The administrative functions of the Boards, Commissions, and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division, Richard M. Hurlburt, Director.

Website: www.ct.gov/dcp

Licensing/Certification: dcp.licenseservices@ct.gov

Enforcement issues: dcp.accounting@ct.gov

MINUTES OF PREVIOUS MEETINGS

Approve minutes of the August 27, 2021, Special Board Meeting and the September 14, 2021 Board Meeting.

Mr. Lyne made a motion to approve the minutes of the August 27, 2021 Special Board Meeting and the September 14, 2021 Regular Board Meeting as written. The motion was seconded by Ms. Marien. All remaining board members voted in favor.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Ms. Fox noted she has difficulty accessing the ZOOM Meetings. She receives the meeting links and has difficulty locating them when needed. Access to this meeting as a panelist was explained to her by Board Members and Staff. Her on screen meeting identification was also corrected.

There were no additional comments or concerns from anyone present.

OLD BUSINESS

1. Legislation Update

Mr. Virnelli advised the Board that the Department will add Chapter 389 as an exception to the change in Continuing Education reporting dates mandated for all of their Board and Commissions. If the legislation passes, then the Accountancy Continuing Education reporting period will remain from July 1st through June 30th as it always has been. Mr. Virnelli noted that nothing will change for the current CE cycle.

NEW BUSINESS

1. NASBA Annual Meeting

Mr. Schuyler, Mr. Virnelli, and Ms. Stewart attended virtually. Mr. Schuyler noted that emphasis was placed on the fact that the examination was intended to be solely for the protection of the public and not meant to be another credential or diploma. He commented on the potential issues with transitioning from one exam to the other. Data analytics and academic providers of the same were noted as already being on board even before discussions began on the subject.

Peer review and peer review oversight committees were discussed in light of the ongoing North Carolina tooth whitening matter. Connecticut was fully up to speed on all issues raised by this subject. Mr. Schuyler also noted that there will be another DOL Audit Review addressing concerns about the quality of their audits. Boards were warned about the possibility of State Board Ethics seeing some activity. There will also be another focus on single audits.

2. Alternative Experience

Mr. Schuyler stated that he had a request from a candidate who came before the Board recently asking for consideration of his alternate experience. The candidate would like this matter to be considered as a change to the existing requirements. Mr. Schuyler

advised the Board that this issue may be coming before them in the future although he has not heard from this candidate recently.

Mr. Virnelli was contacted by Mr. Brian Reilly the president of the Connecticut Society of CPA's. He is employed by Traveler's Insurance Company and is hoping to get their in-house program reviewed and approved by the Board as alternative experience. Mr. Schuyler is receptive to this request. Ms. Stewart has knowledge of this program and has members who are enrolled in the same. She also believes the program is worth looking at by the Board and further detailed some of aspects of the program and how they work.

Mr. Schuyler knows of programs in the past that have been approved for experience by the Board. Mr. Lynne is on-board with the program provided that the participants are under the supervision of CPA's. Mr. Egan is in favor of further exploring the details of their program. It was agreed that Mr. Virnelli will forward to the Board information on Traveler's program given to him by Mr. Reilly.

3. Extension/Waiver Requests

Natalie Olmstead - Examination (tabled from previous meeting)

Mr. Virnelli noted that she was previously before the Board. The Board tabled her request pending receipt of additional information. She is looking for an extension of the BEC portion to May 2022; an additional 5 months in recognition of the extensions already in place. Mr. Virnelli reviewed her examination history, work history, and healthcare issues previously given to the Board. He also reviewed the questions the Board had, and the answers Ms. Olmstead gave to the same. After more discussion, the Board voted, unanimously, to grant her an extension to March 31, 2022, based on her medical issues. (Marien/Triplett)

Mr. Virnell noted to the Board that he has since received four (4) additional requests; three (3) for CPE extensions and one (1) for CPE waiver. The Board voted, unanimously, to add the following individuals to their agenda (Marien/Egan):

1. Joseph P. Germain, Jr. - requesting an extension to November 10, 2021, for good cause citing death of a spouse and moving residence. The Board voted, unanimously, to approve his request pending receipt of additional information as requested by the Department by December 31, 2021. (Marien/Triplett)

2. Lindsey Kendrick – requesting an extension to December 31, 2021, for medical reasons which Mr. Virnelli detailed for the Board. The Board voted, unanimously, to approve her request. (Marien/Egan)

3. Yunyue Lin - requesting an extension to September 30, 2021, for medical reasons which Mr. Virnell detailed for the Board. The Board voted, unanimously, to approve her request. (Egan/Triplett)

4. Paul Sterczala – requesting a CPE waiver for good cause citing significant medical issues with his spouse which were explained in writing by Mr. Sterczala and read aloud to the Board by Mr. Virnelli. Additional documentation was asked for by the Department last week including more details on his medical issue and any CE he may have obtained during the cycle but has not yet been received. After more discussion, the Board decided to table his request pending receipt of the additional information requested by the Department. (Marien/Fox)

4. Case #2019-11

Ms. Karla Fox addressed the Board stating that she has been working on this case with the Department since 2020. She reminded the Board that information on this case was previously provided to them. Ms. Fox complimented Ms. Arsenault and Mr. Virnelli for their diligence and thoroughness in the preparation of the documentation given to the Board.

The case is complicated and involves a national firm that does business across the country. The Board was given examples of how other states have handled this matter. Ms. Fox noted that the Department and KPMG have not yet come to terms on the settlement agreement and, therefore, there are legal limits on what can be discussed today as a Board. It is possible that a Hearing may need to take place if settlement terms cannot be reached, and the Hearing Officers would be the Board. She reminded the Board that they must be judicious in their comments today since this meeting is being recorded and is public information. Ms. Fox believes that the Board needed to be updated on the progress of the case since it is so involved and welcomes any comments or questions the Board may have based upon the information they were previously given.

Ms. Marien questioned the Board's role in this matter since a settlement may be pending based upon previous e-mail communication they received. Ms. Fox noted the parties involved have not agreed on the terms of how the case will be settled however she believes both parties would like this matter to be concluded by year's end.

Mr. Virnelli noted that there is a potential Special Meeting of the Board scheduled for November 29, 2021, to discuss settlement terms and possibly vote on the same.

Ms. Marien also questioned whether the Board should consider potential action regarding individual candidates (relating to cheating) in addition to the firm itself. Ms. Fox noted that there is data available, and that this may be part of the settlement discussions. Mr. Virnelli stated although this may not be part of the settlement agreement, the Department is conducting their own investigation regarding the individuals.

Ms. Arsenault addressed other questions Ms. Marien had concerning additional charges and penalties. Ms. Arsenault stated that the potential additional charges are part of negotiations.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

1. Ms. Stewart commented on the Connecticut Peer review as the administrating entity for the same. AICPA has continuously issued new exposure drafts that are resulting in audits. Over the past years the number of firms in Connecticut participating in peer review doing audits have significantly dropped. They are anticipating this trend to continue both in Connecticut and nationwide as well.

2. Mr. Virnelli asked a question of the Board the Department received on whether or not it is permissible to carry over credits in the areas of attest. The regulations do not address this. Research showed that past policy did not allow this. The Board does not recall this issue ever coming before them before. The Department does need a decision on this question, and it may be discussed at the upcoming special meeting of the Board.

3. Ms. Triplett asked a question on the upcoming special meeting regarding the length of the meeting and the Board's role in the same. Mr. Virnelli stated the Board main purpose is to discuss settlement terms. He does not know how long this will take but will make every effort to not load this meeting up with additional agenda items.

ADJOURN

Ms. Marien made a motion to adjourn. The motion was seconded by Ms. Triplett. All remaining Board Members voted in favor. The meeting adjourned at 11:22 AM.

Next scheduled meeting: Monday, November 29, 2021, at 10:00 AM. This Special Meeting will be held remotely via ZOOM Webinar.

Respectfully submitted,

Robert M. Kuzmich, Architect Emeritus
License and Applications Specialist