

**Connecticut State Board of Accountancy
Meeting Minutes
September 3, 2020**

The meeting was called to order by Chairman John H. Schuyler, CPA, at 10:24 AM via ZOOM Webinar.

Board Members Present: John H. Schuyler, Chairman Certified Public Accountant
Mark Aronowitz, Public Member
Timothy F. Egan Certified Public Accountant
Karla H. Fox, Esq., Public Member
Dannell R. Lyne, Certified Public Accountant
Peter J. Niedermeyer, Certified Public Accountant
Martha S. Triplett, Esq. Public Member

Board Members Absent: Marcia L. Marien, Certified Public Accountant

Board Vacancies: Public Member

DCP Staff Present: Frank Virnelli, Manager
Cat Arsenault, Staff Attorney

Public Present: Bonnie Stewart, 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, 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 July 7, 2020 Board Meeting

Mr. Schuyler made a motion to approve the minutes of the July 7, 2020 Board Meeting as written. The motion was seconded by Ms. Fox. All remaining board members voted in favor with the exception of Ms. Triplett who abstained from the vote because she was not in attendance at this meeting.

Connecticut State Board of Accountancy Meeting – September 3, 2020

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

No comments or concerns were noted.

OLD BUSINESS

1. Status of 2020 Legislation

Mr. Virnelli stated he has requested that the legislation from last year be moved forward again this year. He has not yet received confirmation from the Department on this request. He also summarized the content of the legislation noting that it includes allowing candidates who have not yet completed their degree to begin the examination

The legislation also required licensees and permit holders to retain their records for seven (7) years for their clients and allow firms to make certain payments in as an attempt to get the statutes to align with the AICPA's rules and standards. Mr. Virnelli noted that the Department is finalizing their package in late September or early October and he will keep the Board updated.

Mr. Schuyler asked if the emergency powers get extended have any effect on getting the Boards legislative efforts addressed? In response, Mr. Virnelli stated he does not know and depends, in part, on next year's legislative schedule. Ms. Bonnie Stewart noted a special legislative session coming this September and asked if DCP's proposals are a part of this session? Mr. Virnelli does not know but will address this question with the Department's Legislative liaison.

2. Status of Revisions to Regulations

Mr. Virnelli that nothing has changed and that the proposed revisions are still with the Governor's Office. He stated that among these changes is allowing continuous testing which Connecticut still does not allow.

3. Continuous Exam (Testing)

This topic has been addressed above under Old Business (2.).

4. The extension of CPE's and the accommodation of late fees relating to the same.

Mr. Schuyler noted that he believes that no action is necessary by the Board at this time. Mr. Virnelli concurred and noted that he is working with the license Services Division on this issue and will keep the Board updated.

NEW BUSINESS

1. CPA Evolution

Mr. Virnelli noted that he was expecting an update from NASBA including a Board link which he has not yet received. Mr. Schuyler noted that he has not yet heard of anything either.

2. Legislative Proposals for 2021

Mr. Aronowitz noted that his notes indicated that Bonnie Stewart recommended that the Board include firm mobility. Ms. Stewart noted individual mobility currently exists and that the Board approved and recommended firm mobility two years ago. This recommendation was rejected by the legislature for economic reasons. It was again taken up by the legislature last year but was stopped due to the sudden cancellation of the session because of the pandemic. She would like to see this issue taken up again.

Mr. Schuyler noted that he recalls a discrepancy in discussion on this matter concerning whether there was a cost or profit associated with this proposal. He doubts that this matter will be taken up but agrees that it should be to make our Board consistent with the rest of the nation. Mr. Virnelli will pursue adding this proposal to the Department's package. It was also noted that this proposal can be initiated by private associations then subsequently supported by the Board.

3. Case #2019-12

Ms. Arsenault gave the Board a summary of the complaint noting that it involves a CPA in Fairfield, Connecticut and it is from last year. It involves a consumer who had a financial advisor who recommended a CPA. The CPA's website advertised free consultations. The consumer engaged the CPA and was subsequently billed for his services which included consultation services. She gave the Board details of her discussion with the CPA directly and noted that the Department determined that the CPA's actions, if determined to be substantiated, violate the regulations which prohibit misleading or deceptive advertising. It was also determined by the Department that, if proven true, his actions would be considered a deceptive trade practice and gave the Board more details.

The Department reached a settlement agreement with this CPA for \$1,000.00 for each of the two violations. In addition, the CPA agreed to refund the consumer \$490.00 and to revise his website so that it is no longer misleading or deceptive. The Department also requires that he clearly provide the consumer details of his "Free" consultation services up front. The CPA is also required to complete 4 units of continuing education in ethics before the end of the year. Ms. Arsenault noted that, among the requirements of the agreement, is that the CPA will now be required to clearly communicate, in writing to his clients, his hourly rate.

Ms. Arsenault presented this Settlement Agreement to the Board for their review and approval and answered questions from the Board. Ms. Triplett asked if the ethic courses are available at this time for the respondent to take? Both Mr. Schuyler and Mr. Lyne noted that these are available. Mr. Lyne also noted that CPA's in Connecticut have to take ethics courses every three years and they all don't have to take the courses at the same time, so course availability is not limited.

Mr. Schuyler asked the Board for a motion to accept the settlement agreement presented to them today by the Department. Ms. Triplett made a motion to accept followed by a second of the motion from Mr. Aronowitz. The motion to accept carried unanimously with no one in opposition and no abstentions. Ms. Arsenault discussed the technical aspects of getting the agreement signed by the Board Chair in light of the restrictions in place due to COVID-19.

4. Extension/waiver requests:

Mr. Virnelli noted that there are none for the CPE due to the fact that an extension is already in place to the end of the year. The Department did receive two requests from candidates listed below for examination time extensions.

5. Continuing Professional Education:

There was no discussion on this agenda item.

6. Examination:

Evan DePersia: his request for examination testing time was read aloud to the Board by Mr. Virnelli. It was noted that the candidate was not specific on a date regarding the amount of time requested. The details of the time extension, in general, were explained to Ms. Triplett by Mr. Virnelli. After extensive discussion by the Board, the Board voted to grant Mr. DePersia an eight-month (8) extension from his original expiration date of November 2020. The motion was made by Mr. Lyne and seconded by Ms. Fox. The motion carried unanimously with none in opposition and no abstentions.

Colleen Sheridan: Mr. Virnelli read aloud the details of her extension request to the Board. Ms. Arsenault sent this applicant an extension request form and told her that her request will be presented the Board. The Board took no further action on this matter and noted that her extension request is a "blanket type" extension subject to further general discussion in the future.

7. Other New Business

Mr. Virnelli noted they received an e-mail from the Institute of Chartered Accountants in England – Wales (ICAEW) regarding an accountant who works for a Connecticut

permitted firm. He worked on an audit report for a United Kingdom subsidiary of a US Entity. This person is not a member of the ICAEW. The audit was completed in the US, but the entity has filed financial statements in the UK. Further, this person is not eligible to approve the audit report of the UK Entity. The ICAEW has brought the matter to the attention of this Board and asked what the next steps are.

Mr. Virnelli asked the Board for their thoughts on any potential issues. Ms. Arsenault noted that Connecticut Laws do not address this issue. She also attempted to research this matter with the NASBA rules and spoke with the AICPA. The subject matter is massive as it pertains to audits done in a foreign country and is beyond her capabilities to do anything in such a short period of time.

Mr. Schuyler asked that matters such as this be presented to the Board in writing making it easier to understand and discuss. After more discussion, it was decided to present this matter to the Board in writing and in general terms so as not to compromise any future actions of the Board on this matter. In particular, the Department will forward the information to Mr. Schuyler, Mr. Egan, and Mr. Niedermeyer for their review.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

There were no further comments or concerns noted from any other people present today.

ADJOURN

Mr. Egan made a motion to adjourn. The motion was seconded by Ms. Triplett. All remaining Board Members voted in favor. The meeting adjourned at 11:20 AM.

Next scheduled meeting: Tuesday, November 10, 2020 at 10:00 AM. Location to be determined.

Respectfully submitted,

Robert M. Kuzmich, R.A.
License and Applications Specialist