

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, October 7, 2014 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
Hartford, CT 06106
860-509-6179
sboa@ct.gov

BOARD MEMBERS PRESENT:

John H. Schuyler, CPA
Dannell R. Lyne, CPA
Timothy F. Egan, CPA
Mark Aronowitz
Peter J. Niedermeyer, CPA
Karla H. Fox, Esq.

BOARD MEMBER ABSENT:

Martha S. Triplett, Esq.
Marcia L. Marien, CPA

STAFF MEMBERS PRESENT:

James F. Spallone, Deputy Secretary of the State
Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, License and Application Analyst
Constance Sakyi, Paralegal Specialist 1

OTHERS PRESENT:

Ken L. Bishop, President/CEO National Association of State Boards of Accountancy (NASBA)
Daniel J. Dustin, CPA, Vice President, State Board Relations, NASBA
Art Renner, CPA, Executive Director of CT Society of CPA
Brian Kelleher, CPA, President, CTCPA
Harrison Robbins-Pesce, Legal Intern

SWEARING IN OF NEW BOARD MEMBER BY DEPUTY SECRETARY JAMES F. SPALLONE

Deputy Secretary James F. Spallone swore in Karla H. Fox, Esq.

Chairman John H. Schuyler, CPA, called the meeting to order at 10:05 a.m. at the Connecticut State Board of Accountancy, Second Floor Conference Room, 30 Trinity Street, Hartford, CT.

SELF-INTRODUCTIONS OF CHAIR AND BOARD MEMBERS

Board members gave a brief introduction of themselves to the new board member, Ms. Karla H. Fox.

REMARKS FROM CHAIRMAN JOHN H. SCHUYLER

Mr. Schuyler introduced Ms. Fox to the board by giving a brief summary of Ms. Fox's professional background.

INTRODUCTION OF BOARD OF ACCOUNTANCY STAFF TO NEW BOARD MEMBERS

Attorney Asare introduced the board's staff and gave a brief description of their roles.

ACTION REQUIRED – Approve Minutes of the September 4, 2014 Board Meeting.

Mr. Lyne made a motion to table the minutes until the November 13, 2014 meeting.

Mr. Niedermeyer seconded the motion. All present board members voted in favor.

ADMINISTRATIVE UPDATES

2015 Board Meeting Dates

Attorney Asare requested board members to review the proposed 2015 board meeting dates in order to avoid scheduling conflicts.

License Renewal Process Update

Attorney Asare stated that 8,000 renewal notices and emails were sent out on September 29, 2014. As of October 6, 2014, 639 certificates holders, 378 licensees and 184 firm permits holders, total of 1,201, have successfully processed their renewals on-line. Attorney Asare also stated that the goal for next year renewals is to achieve 100 percent electronic renewal. The board has received feedback on the renewal process, which will be taken into consideration for next year's renewal.

AICPA Conference Update

Attorney Asare stated that she attended the AICPA Conference in Chicago on September 8-9, 2014. Changes and amendments to the definition of attest were discussed at the conference. The proposed amendment to the definition of attest will be presented for board approval at the November board meeting.

NASBA National Conference Update

Attorney Asare requested board members to notify her if they would like to attend NASBA's Eastern Regional Meeting on June 24-26, 2015, in Baltimore, Maryland, and NASBA's 108th Annual Meeting on October 25-28, 2015, in Dana Point, California.

College Initiative Overview/Update

Attorney Asare gave board members a list of colleges that the board has reached out to visit and educate students about the profession and the process of obtaining an initial license and certificate. To date the staff has visited 4 schools.

CPE Audit Update

Attorney Asare informed the board that the CPE Audit has been completed; 213 CPAs responded with appropriate documents, which are scanned into the CAVU system and letters of completion have been mailed to the CPAs. 24 enforcement cases have been opened against the CPAs who failed or did not respond to the audit.

Department of Labor Audit List

Attorney Asare stated that the Department of Labor provided the board a list of 224 CPA firms performing audit services in Connecticut. The board contacted 70 of the firms whose last peer review could not be accounted for and notified them to provide peer review reports to the board. 46 of those firms were out of state firms, 24 firms in Connecticut provided their peer review reports. 12 firms' permit had expired and 6 firms have not responded to date. Enforcement cases will be opened against the firms who do not respond after a second attempt to contact them to get their last peer review fails.

Ken L. Bishop, President and Chief Executive Officer & Dan Dustin, CPA – NASBA

Mr. Ken Bishop gave an overview of the changes to the Uniform Accountancy Act (UAA), definition of attest and firm mobility. Mr. Bishop also spoke about the Mutual Recognition Agreements (MRA), which allows qualified professional accountants from another country to practice in the United States without having to go through initial credential process.

Mr. Dustin discussed the U.S. Department of Labor's concern with ERISA Audits process. Mr. Dustin explained the International Qualification Examination (IQEX). The IQEX exam is for accounting professionals who are members of non-U.S. professional associations that have entered into Mutual Recognition Agreements (MRA) with U.S. boards of accountancy.

Mr. Bishop and Mr. Dustin provided additional insight into NASBA's services available to boards, including but not limited to Accountancy Licensing Database (ALD) and CPAverify, Accountancy Licensing Library (ALL), and the International Evaluation Services (IES).

PUBLIC COMMENT - Opportunity for members of the public to address the Board

There was no public comment at this time.

REGULATIONS AND STATUTORY AMENDMENTS – REQUEST FOR VOTE

Commission and Contingent Fees – Presentation by legal intern Harrison Robbins-Pesce

Mr. Robbins-Pesce gave a presentation on the proposed amendments to commission and contingent fees regulation. Mr. Robbins-Pesce explained to the board the purpose of the amendment is to correct the contradictory language in the board's statutes and regulations regarding the acceptance of commission and contingent fees.

EXAM AND LICENSING

OLD BUSINESS:

Action required – Industry, Government, or Self Employed Experience, and Other Application

Theodore J. Thomas – Requesting an extension in CPE requirements for 6 months.

Application was tabled during August 4, 2014 board meeting requesting for additional information. Materials have not been submitted to date.

Michael DesRoches – Requesting 30 day extension of time to complete CPEs.

Application was tabled during August 4, 2014 board meeting requesting for more information. Materials have not been submitted to date.

NEW BUSINESS:

Action required – Industry, Government, or Self Employed Experience, and Other Applications

Christopher Norwid – Initial CPA Certificate & Certificate Registration, Industry Experience

Mr. Egan made a motion to approve the application. Mr. Aronowitz seconded the motion. All present members voted in favor.

EXAMINATION AND CPE EXTENSION

Tara Zaida - Requesting extension of time to complete remainder sections of the CPA exam credits expires November 20, 2014. Mr. Lyne made a motion to grant the extension to complete the remainder of the CPA exam credits by February 28, 2015. Ms. Fox seconded the motion. All present members voted in favor.

Scott Williams - Requesting extension of time to complete CPE additional letter submitted. Mr. Niedermeyer made a motion to grant the extension of time and waiver of the late fee of \$315. Mr. Egan seconded the motion. All present members voted in favor.

Review Firm permits for approval – List provided for board member review

PCAOB Inspection Reports Received – member comment on review

- Review date September 16, 2014 Report on **Ernst & Young**
- Review date January 31, 2013 Report on **Squar, Milner, Peterson, Miranda & Williamson, Certified Public Accountants, LLP**

OTHER BUSINESS

Enforcement Cases

2014-32 - Julia Lloyd vs. Sapia Group, LLC: September 4, 2014 the complaint sent an email requesting to withdraw the matter. The board acknowledged the request to withdraw the matter.

2011057-3677 Bernice Dohn vs. Reinhardt Lange: September 2, 2014 the compliant sent a request to withdraw the matter. The board acknowledged the request to withdraw the matter.

2011028-3615 Daphne Krick vs. Jon Marshall Dambowsky: Allegations: §20-280c unauthorized use of a C.P.A. title; §20-281a (10) actions reflecting adversely on the professional of public accountancy; and §20-281a (5) fraud. Substantiated Violation: Evidence shows in several emails that Respondent used the CPA title. Mr. Egan made a motion to issue a cease and desist agreement. Ms. Fox seconded the motion. All present members voted in favor.

2013-47 - Frederick L. Dimella v. Ameriprise Financial: Allegation: engaging in the unauthorized practice of public accountancy, per §20-279b, false advertisement, per §20-280-16, failure to obtain a Connecticut Firm Permit to practice public accountancy, per §20-281, failure to undergo and report a quality review, per §20-281. Substantiated Violations: The respondent has submitted proof of an attempt to correct the listing. The respondent submitted evidence that the listing was not the result of information obtained from the Respondent, but was an error on behalf of the third party. Ms. Fox made a motion to dismiss finding no probable cause. Mr. Egan seconded the motion. All present members voted in favor.

PUBLIC COMMENT

Opportunity for members of the public to address the Board

Mr. Art Renner, CPA, Executive Director of CT Society of CPA, invited board members to the certificate ceremony on January 8, 2015 at 5:30 p.m. at the Aqua Turf Club, Plantsville, CT. Mr. Renner stated that the Society met with the Internal Revenue Services (IRS) on September 17, 2014 regarding recent statutory amendments to sales tax filing requirements and offered some suggestions and they are waiting to hear from the IRS.

Mr. Niedermeyer made a motion to adjourn the meeting at 12:13 p.m. Mr. Lyne seconded the motion. All present board members voted in favor.

Next scheduled meeting: Thursday, November 13, 2014 -10:00 AM - 2nd Floor, 30 Trinity Street, Hartford, CT