

Connecticut State Board of Accountancy
Meeting Minutes
Tuesday, February 3, 2015 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
Hartford, CT 06106
860-509-6179
sboa@ct.gov

Chairman John H. Schuyler, CPA, called the meeting to order at 10:02 A.M. at the Connecticut State Board of Accountancy, Second Floor Conference Room, 30 Trinity Street, Hartford, CT.

BOARD MEMBERS PRESENT:

John H. Schuyler, CPA, Chairman
Marcia L. Marien, CPA
Dannell R. Lyne, CPA – Via Conference Call
Timothy F. Egan, CPA - Via Conference Call
Mark Aronowitz
Peter J. Niedermeyer, CPA
Karla H. Fox, Esq. – Via Conference Call
Martha S. Triplett, Esq. – Via Conference Call

STAFF MEMBERS PRESENT:

James Spallone, Deputy Secretary of the State
Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, License and Application Analyst
Dominika B. Sorensen, Office Assistant

OTHERS PRESENT:

Art Renner, CPA, Executive Director of CT Society of CPA

ACTION REQUIRED – Approve Minutes of the January 6, 2015 Board Meeting.

Ms. Fox made a motion to approve the minutes with an amendment to Mr. Robert Hines extension request, wherein the January meetings should reflect that Mr. Hines request was granted based on medical documentation submitted in support of the request. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

INFORMATION REPORTS – Administrative Updates

REQUEST FROM NASBA TO ALLOW ACCESS TO UNIFORM CPA EXAMINATION PRACTICE ANALYSIS

Attorney Asare informed the board that the office received notification from NASBA that they will be surveying recent test takers regarding their testing experience.

NASBA EXECUTIVE DIRECTOR/BOARD/LEGAL COUNSEL CONFERENCE-

Attorney Sonia Asare stated that she will be attending the conference along with Ms. Stephanie Sheff, License and Application Analyst, in Tampa, Florida on March 24-26, 2015.

CT SOCIETY OF CPAS CERTIFICATE CEREMONY IN JANUARY

Attorney Asare formally thanked Connecticut Society of CPAs for inviting the staff and the board to the Certificate Ceremony on January 8, 2015. Board members Marcia L. Marien and Dannell R. Lyne, along with members of the staff had the pleasure of attending the ceremony. Deputy James Spallone spoke on behalf of the Secretary of the State, Denise Merrill about the importance of the State Board of Accountancy and the certified public accounting profession.

CT STATE BOARD OF ACCOUNTANCY'S NEWSLETTER

Attorney Asare reported that the first annual Connecticut State Board of Accountancy's Newsletter has been published with the assistance of the National Association of the State Boards of Accountancy (NASBA). The newsletter will be sent electronically in February to licensees and interested individuals. The newsletter will also be posted on the board's website.

GATEWAY FOR CONNECTICUT CANDIDATE CARE ISSUES

As requested by the board, Attorney Asare stated that she has gained access to the NASBA's Gateway system permitting the board to review Connecticut test takers' concerns. The board will utilize the Gateway system to determine if candidates' issues are properly reported to NASBA when request for extensions are submitted to the board.

WI-FI UPDATE

Attorney Asare informed board members of the availability of Wi-Fi in the meeting conference room. Attorney Asare stated that board members can access meeting materials electronically during the meetings and hope that this would create a more ecofriendly and efficient meeting.

TOPIC FOR JUNE RETREAT

The board's annual retreat will be held on June 2, 2015, at Chairman Schuyler's office, Marcum LLP, City Place II, 185 Asylum Street, Hartford, CT. The board members are encouraged to propose topics for discussion.

PARKING

The Secretary of the State's Human Resource Manager is working with the board to ensure parking will be available for the board members on the day of the scheduled meetings.

LATE FEES FOR CERTIFICATE OF REGISTRATION – REQUEST FOR A VOTE

Attorney Asare requested that the board revise the current late fee associated with annual registration of certificates. Ms. Triplett made the motion to approve to charge a late fee of \$50.00 for the first three months, and \$10.00 each additional month a certificate holder fails to register their certificate, for a maximum of \$150.00. The late fee should be made effective immediately. Ms. Marien seconded the motion. All present board members voted in favor.

NOTIFICATION OF LAPSE LICENSE, FIRM PERMIT AND CERTIFICATES

Attorney Asare stated that, as of February 1, 2015, our records indicate that 935 licenses, certificates and firm permits have not renewed. Staff will be sending letters informing licensees, certificate holders and firm owners of their inactive status, which will prohibit them from practicing, until such time that they renew and pay the associated penalties.

NAME CHANGE POLICY

Ms. Marien made a motion to allow licensees to change their names on their "wall" CPA Certificate

by submitting adequate proof of change of name and paying the duplicate certificate fee. The original certificate will need to be returned to the office prior to receiving a new certificate. Ms. Triplett seconded the motion. All board members voted in favor.

INITIAL APPLICATION PROCESS

Attorney Asare informed the board that the staff will be reviewing the initial firm, certificate and license application process. The goal is to create a more efficient application process, including requiring that all application material be submitted at one time.

ELI WATTS SELLS AWARD FOR 2014

The board is pleased to announce that for the second time a Connecticut candidate, Mr. Mark Cannolly is the recipient of the Eli Watts Sells Award. Ms. Marien suggested that the board invite Mr. Cannolly to attend the Connecticut Society of CPAs certificate ceremony in the spring of 2015, at which time the board could formally acknowledge Mr. Cannolly's accomplishment.

CPA EXAM

Attorney Asare informed the board that the staff received communication that the examination fees will be increased by a nominal amount in the future.

COLLEGE INITIATIVE

Attorney Asare provided an update regarding the college outreach program. Ms. Marien and Ms. Fox offered to provide additional contact information for the institutions that have not been responsive to the board's prior communications.

DISCLOSURE OF MALPRACTICE INSURANCE BY FIRMS

Attorney Asare provided information regarding other state boards' policy regarding the disclosure of malpractice insurance by firm owners. Attorney Asare reported that the majority of state boards do not require that firms provide information regarding malpractice insurance, those that do require disclosure would be subject to their state's freedom of information act.

PUBLIC COMMENT – Opportunity for Members of the Public to Address the Board

Art Renner, CPA, Executive Director of CT Society of CPA complimented the staff on the college outreach initiative. Mr. Renner also informed the board that Alicia Strong of the Connecticut Society of CPA was promoted to Membership and Academics Manager and Mr. Tyler Losure joined the Connecticut Society of CPAs as Career and Academic Coordinator.

Mr. Renner also announced that the Connecticut Society of CPAs recently embarked on two major initiatives: (1) reviewing the peer review process and (2) reviewing the form in which continuing education is provided. Mr. Renner informed the board that the next certificate ceremony is scheduled for May 28, 2015.

EXAM AND LICENSING: None

OLD BUSINESS:

Action required – Industry, Government, or Self Employed Experience, and Other Applications
None

NEW BUSINESS:

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

Ping Xie - Initial CPA Certificate & Initial CPA License, Industry Experience

Ms. Marien made a motion to approve the application. Ms. Triplett seconded the motion. All present board members voted in favor.

REVIEW FIRM PERMITS FOR APPROVAL – List Provided

Mr. Aronowitz made a motion to approve the firm names as received. Ms. Triplett seconded the motion. All present board members voted in favor.

PCAOB Inspection Reports Received – member comment on review

- Review Report Dated

October 1, 2013 – Bonadio & Co., LLP

November 28, 2012 Deloitte & Touché LLP

EXAMINATION AND CPE EXTENSION

William Zeidenberg - Requesting extension of time to complete 3 hours of Attestation requirement

Ms. Marien made a motion to deny the request for extension of time. Mr. Lyne seconded the motion. All present board members voted in favor.

Michael Zbar - Requesting waiver of penalty fee for late Attestation CPE

Ms. Marien made a motion to deny the request for a waiver of the penalty fee. Ms. Triplett seconded the motion. All present board members voted in favor.

Felicia F. Seton - requesting waiver of fee for late Attestation CPE

Ms. Marien made a motion to table the request until the board has an opportunity to further research the matter. Mr. Aronowitz seconded the motion. All present board members voted in favor.

Samuel Discenza - requesting a waiver of fee for late Attestation CPE

Ms. Marien made a motion to approve the waiver request. Mr. Egan seconded the motion. All present board members voted in favor.

F. Edward Nicolas, Jr. - Requesting a waiver of 21 hours of CPE

Ms. Marien made a motion to deny the waiver request. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

OTHER BUSINESS

Enforcement Cases- Attorney Asare provided an overview of the 2014 enforcement docket. Attorney Asare also informed the board that the office will participate in a pilot eRegulation program.

2014-57 George Ferko vs. Rothstein & CO., CPAs Allegations: Sec. 20-281a(5) negligence in filing tax returns/in the practice of public accountancy; Sec. 20-280 (4) incompetence and Sec. 20-281a(10) engaging in actions reflecting adversely on the profession of public accountancy. Substantiated Violations: Respondent admits to an administrative error wherein the incorrect address was placed on the complainant’s 2012 tax return. Respondent does not contest the fact that the correct address was given to the Respondent prior to completing the 2012 return. Compliant

states that the error resulted in several miscommunications from the IRS regarding complainant's taxes. Ms. Triplett made a motion to settle the matter stipulating that Respondent complete 2 hours of CPEs in the area of tax returns. Mr. Lyne seconded the motion. Mr. Schuyler and Ms. Marien opposed. All other board members voted in favor.

2014-31 Connecticut State Board of Accountancy vs. Dean Passanesi Allegations: failure to complete continuing education courses as prescribed by Connecticut State Board of Accountancy's regulations, § 20-280-25, and statutes, § 20-281g (f).

Substantiated Violations: Respondent initially reported 48 CPEs during 2013 renewal cycle.

Respondent was delayed in responding to the audit as all evidence of courses was on the former employer's computer system. The respondent has substantiated all courses with the exception of 8 hours and 1 hour, wherein the date of certificate did not correspond with the reported date.

Mr. Niedermeyer made a motion to settle the matter stipulating that Respondent pay \$625.00 pursuant to regulation §20-280-27 for failure to take required CPEs in specified time, \$300.00 in civil penalties for false reporting of CPEs, 4 hours of ethics courses to be completed and reported by June 30, 2015, Respondent complete and report 8 hours of CPEs and be subject to the 2015 CPE audit. Mr. Aronowitz seconded the motion. All present board members voted in favor.

PUBLIC COMMENT - There was no public comment at this time.

Chairman Schuyler asked the board to include the following item in the March agenda:

- Commission and Contingency Fee Subcommittee Report

ADJOURNMENT

Mr. Schuyler made a motion to adjourn the meeting at 11:57 a.m. Ms. Triplett seconded the motion. All present board members voted in favor.

Next scheduled meeting: Tuesday, March 3, 2015 – 10:00 AM - 2nd Floor, 30 Trinity Street, Hartford, CT.