

Connecticut State Board of Accountancy
Minutes
March 05, 2024

Chairman Schuyler called the meeting to order at 10:01 am via Microsoft Teams.

Board Members Present

John H. Schuyler, Chairman, Public Member
Timothy F. Egan, Certified Public Accountant
Bud McDonald, Certified Public Accountant
Dannell R. Lyne, Certified Public Accountant
Stacy R. Farber, Certified Public Accountant
Karla H. Fox, Esq., Public Member
Robert L. Day III, Esq., Public Member

Board Members Not Present

Peter J. Niedermeyer, Certified Public Accountant

Board Vacancies: (1) Public Member

DCP Staff Present

Cat Arsenault, Staff Attorney
Tiffany Colon, Investigations Accounts Examiner
Rachelle Hyburg, Board Coordinator
John Mesner, Occupational Trades Manager
Jason Cohen, Director of Operations
Giovanni Gonzalez, Paralegal Specialist
Pamela Brown, Investigations Division Director
Terry-Jo Powell, License and Application Specialist
Shameeka Grose, Paralegal Specialist

Public Present

Carl Mills
Kevin Burke
Robert Hoff
Chris King
Katherine Turner
Veronica Callahan
Stephanna Szotkowski
Joshua Martin
Barbara Battista
Bonnie Stewart
Marissa LaBelle
Alyssa Boerenko
Tony Trillo

1. BOARD ANNOUNCEMENTS

- a. Swearing in new Board member – Robert L. Day III, Esq.
 - Board Member Day introduced himself to the board and discussed his history in the accounting field.
- b. Tim Egan elected to be NASBA Northeast Regional Director and a member of 2023-2024 NASBA Board of Directors

2. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS:

- a. January 2nd, 2024
 - Board Member Farber made a motion to approve. Board Member Egan seconded. The motion passed (6-0-1).

3. COMMENTS OR CONCERNS REGARDING THE MEETING AGENDA

- a. Bonnie Stewart approached the board and asked that the NASBA exposure concept be added to the agenda today for review. (See item 6b.)

4. LEGAL DIVISION

- a. 2023 Licensing and Enforcement Recap
 - i. The biggest revision to the statutes now allows candidates to have 30 months to pass the CPA exam.
 - ii. Year of 2023 statistics
 - Total number of candidates that passed the exam:184.
 - DCP's Terry-Jo Powell presented the following licensing statistics:

Credential Type	New Applications	New Applications Submitted Online	New Applications Approved	Renewal Applications Issued	Renewed Credentials Issued	Credentials not renewed	Retiree applications approved	Total currently active	Total active Out of State	Total active 5 years ago
CPA Certificate	282	210	266	N/A	N/A	N/A	N/A	17,685	N/A	
CPA Registration	136	109	136	2,695	2,418	277	N/A	2,544	598	2,785
CPA License	266	196	261	4,820	4,482	317	21	4,808	1,025	4,741
CPA Firm	75 total: 31 multi 44 single	29	71	1,220	1,099 Total 418 multi 681 single	121	N/A	1,143 Total 431 multi 712 single	277	1,339 Total 481 multi 858 single

- b. DCP's Giovanni Gonzalez presented the following Peer Review statistics.
 - i. In 2021 there were a total of 23 new firm permits issued.
 - 13 claimed to not be doing attest work.
 - 10 did not ask for a waiver and are subject to peer review.
 - a. 4 of those firms have not shown they've undergone peer review.
 - ii. As of 2024 there were 1122 firms that renewed their firm permits. Of the 1122, 782 firms claim they do not do attest work.
 - DCP audited about 10% of the 782 firms which resulted in the department needing to follow up with about a quarter of this group to obtain more information.
 - 340 firms did not request a waiver, about 1/3 of that group do not show they are in compliance.
- c. DCP's Tiffany Colon presented the following Investigations statistics.
 - i. 2023 Cases
 - Total 50 cases
 - a. 17 were regarding a firm permit.
 - b. 17 were regarding a CPA license.
 - c. 16 cases did not have a credential tied to them.
 - d. 27 have been closed:
 - i. 7 firm permit related cases
 - ii. 9 CPA licensing related cases
 - iii. 11 non-credential cases
 - ii. Common complaints included: misappropriation of funds, lack of confidentiality, lack of procedures to protect consumers tax returns/information, practicing without a license, lack of professionalism and falsified billings.

5. OLD BUSINESS

a. CPE Extension Requests:

i. Lindsey Kendrick

- Board Member Lyne made a motion to table pending a doctor's note confirming additional complications. Board Member Farber seconded. The motion passed unanimously.

ii. Monica Muncaciu-Harris

- Board Member Day made a motion to approve the year 4 credits and grant the extension. Board Member McDonald seconded. The motion passed unanimously.

iii. Barbara Battista

- Board Member McDonald made a motion to approve the fee be waived. Board Member Lyne seconded. The motion passed unanimously.

6. NEW BUSINESS

a. VITA CE credits

- IRS provides CE credit for the volunteers in this Volunteer income tax assistance program. This is being brought before the Board to review to potentially allow licensees to be able to use the CE credit issued by the IRS towards their Connecticut CE requirements.
 - Board member Day made a motion to table, pending the review of additional information. The Board would like to see how other states are handling this situation. Also, they are requesting clarification on how much CE credit is granted and for what, to these VITA volunteers. Board member Lyne seconded the motion. The motion passed unanimously.

b. Professional Licensure Task Force

- NASBA is looking for input on if the boards are in favor of this task force to continue moving forward.
- Extensive discussion regarding the 150-hour requirement and options for licensure.
- The board discussed whether they would respond as a full board or individually.
- Board member Farber made a motion that the Board respond to the task force efforts to have it proceed. Board member Lyne seconded the motion. The motion passed (6-0-1)

c. Enforcement:

i. Case # 2023-35, King King & Associates

- Settlement Agreement: firms' audit reports of governmental entities will be monitored for one year and the firm is required to submit a copy of the next 8 town audits completed after today. Submissions must be made within 30 days after the 8th audit report. The firm will also pay a fine of \$1500.
- Chairman Schuyler has recused himself from this motion. Board Member McDonald made a motion to approve the settlement agreement. Board Member Egan seconded the motion. The motion passed (6-0-1).

ii. Case # 2020-2, Ernst & Young

- Case # 2020-2 and Case # 2023-40 are related.
- Settlement Agreement:
 - a. Pay a disgorgement of \$15,000 and a fine of \$3,000. Additionally, the partner is to refrain from performing audits of foreign companies until he has obtained the appropriate foreign licensing credentials and will have to pay a fine of \$2,000.
- Case # 2020-2: Board Member Day made a motion to approve the settlement agreement subject to the change of language, in that they neither admit nor deny. Board Member McDonald seconded the motion. The motion passed unanimously.

iii. Case # 2023-40

- Case # 2023-40: Board Member Egan approved the additional proceeding. Board Member Day seconded. The motion passed unanimously.

iv. Case # 2023-34, RSM

- Case #2023-34, #2023-28 and #2023-33 are related.
- Settlement Agreement:
 - a. RSM is Reprimanded and shall pay a fine of \$25,000.
 - b. For a period of 3 years starting today, the Assurance Quality and Risk Management Leader of RSM's Office of Risk Management is required to approve the assignment of the lead audit partner and EQR for each audit engagement involving any public company headquartered in CT. These assignments are subject to an annual review. RSM shall maintain documentation of such assignments until December 31, 2027, and present that documentation to the Board upon request.

v. Case # 2023-28, Steven Kirn

- Settlement Agreement:
 - a. Mr. Kirn is reprimanded and fined \$2,000. He is prohibited from performing attest services for public companies for 18 months. During this period, he may perform attest work for private companies, but the assignment must be approved by the Assurance Quality and Risk Management Leader of RSM's Office of Risk Management.
 - b. If he is reinstated, he must notify the Board of such no later than 15 days from the date of reinstatement.
 - c. For 3 years starting from the reinstatement date, he is prohibited from acting as the lead audit partner for audit engagement involving any public company unless the EQR is a member of RSM's national professional standards group and approved by the Assurance Quality and Risk Management Leader of RSM's Office of Risk Management
 - d. He will complete and submit 20 credits of continuing education in the area of audit, a minimum of 10 of those credits will be in the area of revenue recognition. Due by 12/31/2024.

vi. Case # 2023-33, Michael Piqueira

- Settlement Agreement:
 - a. Mr. Piqueira was reprimanded. From today's date until the end of this year any attest services shall be reviewed and approved by his firm's National Professional Practice Office or an equivalent professional. He is required to maintain documentation of such review and approval until March 31st, 2025, and must be submitted to the Department if requested.
 - b. And should he apply for reinstatement of his CT CPA license he must demonstrate that he has completed at least 10 credits in the area of revenue recognition as part of the required 40 credits of CPE.

vii. Board member Lyne made a motion to approve the settlement agreements for Case #2023-34, #2023-28, and #2023-33. Board Member Farber seconded the motion. The motion passed unanimously.

7. COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

- a. Chairman Schuyler raised changing one of the upcoming meetings to be in-person instead of all virtual.

8. ADJOURNMENT

Board Member Farber made a motion to adjourn the meeting. Board Member Day seconded the motion. The motion passed unanimously, and the meeting adjourned at 11:56 am.

Respectfully submitted,

Rachelle Hyburg

Board Coordinator

2024 Scheduled Board Meetings

May 7
July 2
September 3
November 5