

State of Rhode Island and Providence Plantations

BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MINUTES OF MEETING

August 19, 2014

The meeting of the Rhode Island Board of Accountancy was called to order by Mary F. Bernard, Chair, at 1511 Pontiac Avenue, Cranston, Rhode Island, at 1:37 p.m. In attendance were Board members Mary F. Bernard, David Platt, Kevin M Fountain, George O. Tashjian, Kevin P. Tracy, Administrative Support Specialist, Dawne Broadfield, Chief of Legal Services, Neena Sinha Savage, Esq., (Present from 1:37 p.m. – 3:07 p.m.) Deputy Chief of Legal Services, Ellen R. Balasco, Esq., (Present 2:26 p.m. – 3:07 p.m.) and Legal Counsel, Jenna R. Algee, Esq. (Present from: 1:37 p.m. – 3:07 p.m.).

1. Upon motion by Mr. Platt and seconded by Mr. Tashjian, it was unanimously VOTED that the minutes of the meeting of July 15, 2014 be accepted as submitted and placed on file, copies thereof having been distributed to each member of the Board prior to this meeting. Kevin P. Tracy and Kevin M. Fountain abstained since they were not present at the meeting.

2. It was noted that NASBA sent the following information as listed on the agenda, which was sent to all members prior to the meeting:

a. NASBA – US Accountancy Licensee Database (ALD) Program Implementation – Rhode Island has a project start date of May 5, 2014 between Iron Data and NASBA and is underway. The project end date is August 4, 2014. This project is moving forward.

b. NASBA – CPAverify Program Implementation - Rhode Island has a project start date of May 5, 2014 between Iron Data and NASBA and is underway. The project end date is August 4, 2014. This project is moving forward.

c. NASBA - Virgin Islands – now substantially equivalent to the UAA – confirm whether or not the Board will now consider CPAs from the Virgin Islands substantially equivalent for purposes of exercising practice privileges in this state. Upon motion by Mr. Tracy and seconded by Mr. Platt, it was unanimously VOTED to now consider the Virgin Islands CPAs from the Virgin Islands to be substantially equivalent for purposes of exercising privileges in this state. A response will be sent to NASBA.

3. American Institute of Certified Public Accountants (AICPA) matters:

a. Comments from Robert Mancini, Executive Director, Rhode Island Society of Certified Public Accountants (RISCPA) – Mr. Mancini scheduled a meeting on September 8, 2014 with the Department of Business Regulation (DBR) Director, Adriana Dawson, Roger Williams University (RWU), the Board and Administrative Support Specialist, to discuss an internship opportunity for quality assistance and

educationally related.

b. Enhancing Audit Quality Initiative – Response due November 7, 2014 – Tabled to next meeting.

4. Public Company Accounting Oversight Board (PCAOB)

a. Review of Notifications Received – The Board reviewed the following notifications and duly noted:

- LGC&D LLP, RI Practice Unit #P48, expires 06/30/2016; and**
- Mayer Hoffman McCann P.C. RI Practice Unit #C1799, expires 06/30/2016.**

08/19/14, Page 1 of 4

Rhode Island Board of Accountancy Minutes of Meeting/August 19, 2014

5. Upon motion by Mr. Platt and seconded by Mr. Tashjian, it was unanimously VOTED to approve the following initial application(s) for certification and to send the application for the permit to practice to:

Brian Anderson (1050093) Taryn Ready (1050037)

Michael T. Connelly (1050080) Brian Silva (1050103)

Jason Masse (1050102)

6. Upon motion by Mr. Platt and seconded by Mr. Tracy, it was

unanimously VOTED to approve the following initial without examination (examination taken in another state) application(s) for certification and to issue a permit to practice to:

Teressa Granville (1050105)

7. Upon motion by Mr. Platt and seconded by Mr. Tashjian, it was unanimously VOTED to approve the following reinstatement application(s) with the required renewal and reinstatement fees applied for certification and to issue a permit to practice for the period ending as indicated below to:

JoaQuim J. Galvao (2545) – pending for completion of continuing professional education (CPEs) No response. – Tabled to the next meeting.

8. Old Business:

a. Sylvia Fidalgo (3347) – Board denied Continuing Professional Education (CPE) maternity exemption request. Requesting exemption for a second time. The Board will respond to Ms. Fidalgo that the Board granted her an extension of time to complete the CPEs and not an exemption from the CPE requirement. The Board submitted a “Request for Legal Services (RLS) for clarification as to whether the exception of the required CPEs relates to the time to get the CPEs or exception from obtaining the CPEs at all. This exception was granted and known in the past. The Board granted an extension of time to Ms. Fidalgo until December 31, 2014 in order to obtain the required CPEs.

Based on clarification, by DBR Legal Counsel, as to whether the exception of the required CPEs relates to the time to get the CPEs or exemption from obtaining the CPEs at all, the Board agreed to continue its policy of granting CPE time exemptions for pregnancy and approved the 20 CPEs exemption which does not include the required ethics. The same “form letter” that was sent out in the past will be sent.

Upon motion by Mr. Platt and seconded by Mr. Tashjian, it was unanimously VOTED to have the Regulation define the word “time” as it relates to extension of CPE and not exemption.

b. Development of Board’s Newsletter –Mr. Tracy is currently working on this project.

c. Continuing Professional Education (CPE) Hours – Based on discussion that occurred, the Board will research the CPEs for other states as to the amount of hours and the limitation of “soft skills.” The Board reviewed the outline received from NASBA and determined that the Board’s requirements will remain the same.

d. Regulations Merger – Attorney Savage requested approval from the Board to consolidate all of its Regulations into one document. The Board approved the consolidation at the June 17, 2014 meeting. Attorney Algee indicated that the Board’s Regulations are being merged at the request of the Office of Regulatory Reform (ORR). The Board reviewed the merged regulations draft presented by Attorney Savage. Upon motion by Mr. Fountain and seconded by Mr. Tracy, it

was unanimously VOTED to accept the document as amended.

e. Recording Meetings – Chair Bernard had a meeting with DBR Director McGreevey and Attorney Savage regarding recording meetings. She indicated that the Board took this under advisement. Mr. Fountain inquired as to whether or not the medical board and the meetings for attorneys are recorded. It was the decision to revisit at another time and remove from the agenda for now.

08/19/14, Page 2 of 4

Rhode Island Board of Accountancy Minutes of Meeting/August 19, 2014

9. New Business:

a. CPA Examination Services Terms of Use – A concern of an examination candidate was brought to the Board regarding the notice given to her when registering to take the CPA examination. The concern was providing her social security number with no liability of disclosure. The examination candidate does not want to provide her social security number based on this concern, and therefore is not being allowing to register for the CPA examination. The Board reviewed this matter and determined that the issue is with NASBA. The Board will not be taking any action.

b. Elections of Officers - Upon motion by Mr. Fountain and seconded by Mr. Platt, it was unanimously VOTED to keep the current

composition of the Board and respective positions the same and continue for the following year. The positions are as follows: Mary F. Bernard, Chair; David Platt, Vice-Chair; Kevin M. Fountain, Secretary; and George O. Tashjian, Treasurer.

c. Legislation –

• Items to be Addressed –

(1) To address and streamline the hearing procedures to match the other Boards.

• Items for Statutory Review –

(1) No procedure for a “Rhode Island Resident” to obtain Reciprocity.

(2) Successful completion of the AICPA Comprehensive Course Ethics Exam with a grade of 90% or better.

(3) Statute §5-3.1-9(b)(1) does not address Corporations and Sole Proprietorships

(4) Are webinars considered live? An inquiry will be sent to NASBA.

10. The next meeting of the Board that was scheduled for Tuesday, September 16, 2014, at 1:30 p.m. was canceled. The next meeting is scheduled for Tuesday, October 21, 2014 at 1:30 p.m.

11. Upon motion by Mr. Tashjian and seconded by Mr. Platt, it was unanimously VOTED to adjourn the regular meeting of the Board at 2:44 p.m. and conduct an Executive Session under Sections 42-46-4 and 42-46-5 (a) and (a) (4), R.I.G.L. for the purpose of discussing pending disciplinary investigations.

12. Upon motion by Mr. Tracy and seconded by Mr. Platt, it was unanimously VOTED to adjourn from executive session and reconvene to an open meeting at 3:23 p.m. pursuant to RIGL §42-46-4.

13. Upon motion by Mr. Tracy and seconded by Mr. Platt, it was unanimously VOTED to seal the executive session and record the votes taken in executive session pursuant to RI General Laws §42-46-4 and §42-46-5.

14. Record of Votes Taken in Executive Session:

Executive Session Pending Matters –

- Complaint alleges after Internal Revenue Service (IRS) Audit complaint found that funds were deducted out of checking account without complainant's authorization. The Board investigator is investigating and tabled this matter for one more month.**
- Complaint alleges accountant has failed to provide customers with service. The draft return changed from the final return. The Board investigator is waiting for a confirmation letter to close this matter.**
- Request for the reinstatement of a Certified Public Accountant (CPA) license was ordered by the Rhode Island Superior Court on July 21, 2014 to be reinstated. Upon motion by Mr. Tracy and seconded by Mr. Fountain, it was unanimously VOTED that the Board reinstate the**

certification credentials with conditions for his first renewal cycle. The conditions are as follows: (1) CPE requirements for the next three (3) years will remain at 120 per years, however, he must complete eight (8) credit hours in Ethics per year, instead of the usual two (2) credits per year; (2) must notify the Board in writing of any material complaints involving ethics violations or unprofessional conduct received from his client, any disciplinary action against him by a governmental agency, or any criminal charges lodged against him, within twenty-one (21) days of his notice of 08/19/14, Page 3 of 4 Rhode Island Board of Accountancy Minutes of Meeting/August 19, 2014

same; (3) Richard DiGennaro shall act as a Mentor for the CPA during his first renewal cycle to act in a supervisory capacity to provide support and oversight for his professional activities. The mentor shall be required to monitor the quality of the CPA's work product and professional activities, and provide reports of same to the Board upon request.

- Practice Unit Renewal Application received a "failed" peer review. Upon motion by Mr. Tashjian and seconded by Mr. Tracy, it was unanimously voted not to renew the Practice Unit Renewal Application until submission of a satisfactory review.**

- Complaint alleges the person did not complete her taxes properly and that she now owes \$4300 to the IRS. This person is advertising**

boldly on his signboard at his business location that he is a CPA. His CPA license expired June 30, 1998. The Board investigator is investigating and tabled this matter.

- **Complaint includes correspondence between the complainant and the IRS and outlines the complaint. The Board member investigator investigated and closed this matter with no action.**

- **Complaint alleges that the Public Accountant (PA) defrauded the complainant. The Board member investigator investigated and reported that the Board will not take any action until such time as the civil matter is resolved and closed.**

- **The Board reinstated A CPA license that was “inactive.” It came to the Board’s attention that the CPA license was previously suspended. The Board requested a written explanation of that suspension and all related documents for Board review. No response received to date. This matter was tabled.**

- **A CPA Application for Individual Permit to Practice Public Accounting for the period ending June 30, 2017 was received with disciplinary action noted. The Board requested more information relating to this matter. No response to date. This matter was tabled.**

Executive Session New Matters -

- An attorney for a Practice Unit reported that the Practice Unit entered into a Consent Order with the Arizona State Board of Accountancy. The Board reviewed and closed, because there are no Rhode Island CPAs involved.

Executive Session Old Matters -

- A CPA was indicted on sixty-six (66) counts and charged with stealing identities of the terminally ill and elderly. The CPA plead guilty to two (2) of the charges. The DBR Legal Division will begin the process to issue an “Order to Show Cause.”

Respectfully submitted,

Kevin M. Fountain, CPA

Secretary

08/19/14, Page 4 of 4