

State of Rhode Island and Providence Plantations

BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MEETING MINUTES

DATE: October 20, 2015

PLACE: Department of Business Regulation (DBR)

1511 Pontiac Avenue, Bldg 68-1 Conference Room

Cranston, RI 02920

MEMBERS PRESENT: Chair Mary F. Bernard, Secretary Kevin Fountain, and Treasurer George Tashjian

MEMBERS ABSENT: Vice-Chair David Platt and Member Kevin P. Tracy

OTHERS PRESENT: Robert Mancini, Executive Director, Rhode Island Society of Certified Public Accountants (RISCPA) (Present from 1:33 p.m. – 2:02 p.m.)

Dawne Broadfield, Administrative Support Specialist

(1) Call to Order – Chair Bernard called the meeting to order at 1:33 p.m.

(2) Meeting Minutes (Review/Discuss/Take Action)

1. Acceptance of the September 10, 2015 Open Session Meeting Minutes

2. Acceptance of the September 10, 2015 Executive Session Meeting Minutes

Treasurer Tashjian moved to approve the open and executive meeting minutes of September 10, 2015 as published. Chair Bernard seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

(3) National Association of State Boards of Accountancy (NASBA) matters – (Review/Discuss/Take Action)

Information was sent from NASBA and forwarded to all Board members prior to the meeting to include the following:

a. NASBA – AICPA released the exposure draft, Maintaining the Relevance of the Uniform CPA Examination on September 1, 2015. – Comments are due by November 30, 2015. The Board discussed the changes, such as changing the number of sections, components and names. The Board had no comments.

b. NASBA – Regional Call – Chair Bernard attended and brought up the issue of Board members obtaining Continuing Professional Education credits (CPEs) for attending Board meetings. The consensus of the group did not think it was a good idea and could

not see the justification.

(4) American Institute of Certified Public Accountants (AICPA) and Rhode Island Society of Certified Public Accountants (RISCPA) matters – (Review/Discuss/Take Action)

a. Comments from Robert Mancini, Executive Director, (RISCPA) – (1) Status of Internship Opportunity with Roger Williams University (RWU). The finalization of a Job Description was sent to RWU to review to ensure that it will meet the academic expectations set by the Accounting Department. The Board is waiting for a response. (2) Mr. Mancini indicated that membership day at the Providence Marriott on September 30, 2015 was successful. (3) The Leadership event, planning trying to help growth, was successful and everyone was invited. (4) Mr. Mancini will be attending RI business day for Senator Jack Reed in Washington, DC. (5) Mr. Mancini will also be attending a RIPEC event.

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(5) Public Company Accounting Oversight Board (PCAOB) – (Review/Discuss/Take Action)

a. Review of Notification(s) Received – No at this time.

(6) Consideration of approval of the following initial applications for certification – (Review/Discuss/Take Action)

Michael Barricelli Stephanie Sanford

Secretary Fountain moved to approve the initial applications for Michael Barricelli and Stephanie Sanford for certification. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

(7) Consideration of approval of the following initial without examination application(s) for certification – (Review/Discuss/Take Action)

Yunju Hwang

Secretary Fountain moved to approve “provisionally” the initial without examination application for Yunju Hwang for certification upon receipt of a transcript noting nine (9) education hours in addition to what was previously submitted to total one hundred and fifty (150) hours, which is required. One hundred and forty-one (141) hours were submitted. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

Raphael Solawon

Secretary Fountain moved to approve the initial without examination application for Raphael Solawon for certification. Chair Bernard seconded. Motion passed, 3-0, three (3) in favor, two (2) absent.

Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

(8) Consideration of approval of the following reinstatement application(s) for certification – (Review/Discuss/Take Action)

Rohan Edwards (3555R)

Secretary Fountain moved to approve the reinstatement application for Rohan Edwards (3555R), for certification pending receipt of the additional required \$25 fee, since the check submitted was in the wrong amount and a corrected renewal application that contains the proper signatures. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

(9) Old Business: (Review/Discuss/Take Action)

a. Development of Board's Newsletter - Member Tracy is continuing to work with Tom Kenny, NASBA Communications, about what content will be placed in the Board's section of the RISCPA newsletter in an effort to get information out. Mr. Tracy's next communication call with NASBA is on September 17, 2015. Mr. Tracy is no longer a member of this Board. With that being said, the Board tabled this matter to reach out to Kevin Tracy to ask if he would Chair a "Communications Committee" that would be established by the

Board.

b. Regulations Merger – The Board’s Regulations are being merged into one (1) document. “Office of Regulatory Reform (ORR)” approved the document merger. The document was forwarded to the “interested parties,” to include NASBA and RISCPA, and the Board members. The Public Hearing was held on Tuesday, April 21, 2015. Attorney Algee will forward a suggested language addition to “Professional Obligation” to “ORR” for review. If approved, the Regulation will be effective twenty (20) days after that date. Comment on the proposed rules pertaining to continuing professional education was received from the American Institute of CPAs (AICPA). Secretary Fountain contacted Mat Young, AICPA, Vice-President, State Regulatory & Legislative Affairs, to inquire exactly what his concerns are. The Board accepted Mat Young’s wording and shall amended its Regulation #5, Section 1.B to add Mr. Young’s #11 after the Board #10. Attorney Algee sent the change based on public comment to the Office of Regulatory Reform

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(ORR) for approval/denial. This matter is tabled.

c. Renewal Applications – Attestations –

The Board will begin a “Pilot” Continuing Professional Education (CPE) and Peer Review Audit process and will audit 3% plus those CPAs and Practice Units that were not in compliance in the past

renewal period and requested an extension for completion. Prior to implementation, an audit process will be developed for Board approval prior to conducting the audit. Secretary Fountain is working with Mrs. Broadfield to develop the Auditing Reporting form. This matter was continued.

d. Public Accountants (PA) – Eliminating the status

Treasurer Tashjian discussed the history of the PA status. 1976 was the last time that there was a PA status issued by this Board. Treasurer Tashjian suggested that the remaining 12 PAs be grandfathered and issued a Certified Public Accountant (CPA) status. The Massachusetts statute was obtained which is the “Conversion of Public Accountant License to Certified Public Accountant License.” Discussion occurred and a question arose as to how it would affect reciprocity in other states. Information was sent to Attorney Algee for review. The Board agreed to move forward with the legislation to convert the PAs to the CPAs. Attorney Algee drafted the legislation and DBR submitted in it their legislative package to the Governor’s Office.

e. Continuing Professional Education hours (CPEs) for Board Member Service - Treasurer Tashjian brought up a topic for discussion to give Board members one (1) year, 40 CPEs, for their service on the Board for compensation. The Board discussed this topic and continued it for further discussion. Chair Bernard addressed this topic on the NASBA Regional Call. Based on the comments, the Board will not move forward and removed it from the agenda.

f. Al Ismail – Request for Individual (Public Accountant Member of

Australian Institute) PA Certificate only please. The Board reviewed and denied his request and will notify him via reply to his e-mail that he must strictly comply with the Rhode Island General Laws. Attorney Algee researched that NASBA and AICPA (acting jointly as the U.S. International Qualifications Appraisal Board) have determined through a NASBA Mutual Recognition Agreement that there is substantial equivalence with Australia. The agreement provides the “education, examination, and experience are the principal elements considered in granting the CA [chartered accountant in Australia] and CPA designations to perform the attest function. Attorney Algee then recommended responding to the CA stating that he needs to fill out the application and pay the fee. The CA also need to give the Board the name, address, phone number, and e-mail address for a person from the CA’s licensing jurisdiction that can verify the CA’s license status. Furthermore, the CA needs to provide the Board with a copy of the continuing education law that the CA license is subject to, if any. The Board agreed with Attorney Algee’s recommendation and will send, via e-mail, to the CA. The Board will respond to Alaa Ismail and instruct him to refer to the Board’s e-mail sent to him dated October 14, 2015 with the Board’s specific steps that must be taken for further review. The Board cannot address this further until the required documents are received. This item was removed from the agenda and will not be put back on until all documents are received.

(10) New Business: (Review/Discuss/Take Action)

a. Request received for clarification of the “Enrolled Agent (EA)” designation. – The Board will respond that the “EA” designation is an Internal Revenue Service (IRS) designation and is not part of the Board’s jurisdiction.

b. Any other new business.

(11) Next Meeting Date: (Review Discuss/Take Action)

a. The next Board meeting is scheduled for Tuesday, November 17, 2015. Treasurer Tashjian will not be attending.

(12) Executive Session

Secretary Fountain moved to convene into Executive Session at 2:32 p.m. pursuant to RI General Laws §42-46-5(a)(4) for investigative proceedings regarding allegations of civil or criminal misconduct. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

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Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 3:00 p.m. pursuant to RI General Laws §42-46-4. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F.

Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

Secretary Fountain moved to record and seal the minutes of the executive session in accordance with RI General Laws §42-46-4 and §42-46-5. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

Secretary Fountain moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

Record of Votes taken in Executive Session:

PENDING MATTERS

• One (1) complaint alleges that the Public Accountant (PA) defrauded the complainant.

Complaint alleges that the licensee defrauded the complainant. On the tax forms, there are many charges to the business account in which the complainant was never made aware of. In addition to all of

the irrelevant charges, the complaint is alleging that the PA is skimming the rents from the complainant's business. The Board will not take any action until such time as the civil matter is resolved and closed and will send the parties a letter indicating such. The complainant sent an e-mail to the Board indicating that there was currently no litigation pending against the licensee and requested that the Board investigate. The DBR Attorney was in communication with the complainant who indicated that the Board closed this complaint because of pending litigation in which the complainant said there was no litigation. The Board will send a letter to the complainant that the Board does not have the capacity to conduct a criminal or civil investigation into a matter. The Board can take issue when a decision is made and removed this from the agenda. The complainant again requested help from the Board since there is no pending litigation. The Board referred this matter to the DBR Attorney. The Board will send an e-mail response to the complainant per the DBR Attorney's recommendation, explaining that the Board did delegate a Board Member to investigate this matter by interviewing both parties and that it was determined that the complainant did not prove fraud under R.I. Gen. Laws § 5-3.1-12(b)(2).

Should the Respondent provide additional proof that the licensee knowingly recorded false information on the tax return, the Board will further investigate. The Board replied, closed and removed this from the agenda.

- One (1) matter of a person advertising on the internet as a CPA. The Board's records indicate no record found. A Board member was

assigned to investigate. The Board Member faxed the “internet ad” to the person advertising. The person advertising indicated that that person will fix it. The Board member will continue investigating and will indicate to the person advertising that findthebest.com is reporting the person as a Certified Public Accountant (CPA) and to notify the person. There is no advertisement from the “street view.” The investigating Board member updated the Board. The Board member went to the location. There are multiple services offered at the location but nothing that advertises CPA. As of the last meeting, there was no change on the internet. The internet sill shows CPAs. The Board will send the person a letter indicating that it has come to the Board’s attention that the person is advertising on the Internet as a CPA without holding a license. The Board is requesting that the person remove the person’s listing and provide the documentation that the person requested this action to occur. Therefore, the matter is continued.

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- **One (1) matter of a person advertising on the internet as a CPA. The Board’s records indicate no record found. A Board member was assigned to investigate. The Board Member faxed the “internet ad” to the person advertising. The person advertising indicated that the**

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- One (1) matter alleging that a person maintains that he/she is an “accountant.” That person holds himself/herself out as an accountant on Ethics Commission statements the person’s website claims that the person is a member of the National Society of Accountants when the person is not and has never been a member. The Board referred this matter to the DBR Attorney. The DBR Attorney did not believe there is a violation. The DBR Attorney indicated that the complainant is also noting that the accountant was arrested for filing a false police report (irrelevant) and that he is claiming to be part of accountancy organizations that he is not a part of (deceptive trade practices act issue § 6-13.1-1(6)(iii) Causing likelihood of confusion or of misunderstanding as to affiliation,

connection, or association with, or certification by, another). The Board instructed the DBR Attorney Algee to send a response to the complainant based on her recommendation, to close and remove from the agenda.

NEW BUSINESS:

- No new matters

OLD MATTERS:

- No old matters

(13) Adjournment

Secretary Fountain moved to adjourn at 3:01 p.m. Treasurer Tashjian seconded. Motion passed, 3-0, three (3) in favor, two (2) absent. Voting in favor were Chair Mary F. Bernard, Treasurer George Tashjian and Secretary Kevin Fountain. Vice-Chair David Platt and Member Kevin P. Tracy were not at the meeting.

Respectfully submitted,

Kevin M. Fountain, CPA

Secretary

KMF/dmb

• Posted on November 18, 2015 electronically on Secretary of State's Office website. Pursuant to the Open Meetings Law, R.I. Gen. Laws Sec. 42-46-6(b), business not included in this notice may be considered with the consent of the majority of the members, and/or may convene into Executive (closed) Session pursuant to R.I. Gen. Laws Sec. 42-46-5.

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