

State of Rhode Island and Providence Plantations

BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MEETING MINUTES

DATE: November 17, 2015

PLACE: Department of Business Regulation (DBR)

1511 Pontiac Avenue, Bldg 68-1 Conference Room

Cranston, RI 02920

MEMBERS PRESENT: Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, and Member Alisa Loiselle

MEMBERS ABSENT: Treasurer George Tashjian

OTHERS PRESENT: Robert Mancini, Executive Director, Rhode Island Society of Certified Public Accountants (RISCPA) (Present from 1:35 p.m. – 2:15 p.m.)

Jenna Algee, Esq., DBR Legal Counsel (Present from 2:38 p.m. – 2:56 p.m.)

Dawne Broadfield, Administrative Support Specialist

(1) Call to Order – Chair Bernard called the meeting to order at 1:35 p.m.

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

1. Acceptance of the October 20, 2015 Open Session Meeting Minutes
Chair Bernard moved to approve the open meeting minutes of October 20, 2015 as published. Secretary Fountain seconded. Motion passed, 3-0, three (3) in favor, one (1) absent and one (1) abstained. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain. Treasurer George Tashjian was not at the meeting. Member Alisa Loiselle abstained since this was her first meeting.

2. Acceptance of the October 20, 2015 Executive Session Meeting Minutes

Chair Bernard moved to approve the executive meeting minutes of October 20, 2015 with changes. Secretary Fountain seconded. Motion passed, 3-0, three (3) in favor, one (1) absent and one (1) abstained. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt and Secretary Kevin Fountain. Treasurer George Tashjian was not at the meeting. Member Alisa Loiselle abstained since this was her first 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 – 108th Annual Meeting – Dana Point, California – October 25 – 28, 2015 – Chair Bernard attended and reported the following items were discussed: changes in demographics; the range of license fees from State to State; letters of reprimand for lack of continuing

professional education (CPE) hours; New Jersey changing the CPE requirement to unlimited self-study; the medical marijuana issue where ten (10) states require audit and the question is who will do the audit since it is against federal law; and the North Carolina Dental Board SCOTUS decision.

b. NASBA – Exposure of the accompanying changes to the Uniform Accountancy and Model Rules that would provide for the creation of a CPA-Retired status. Mr. Mancini is on the NASBA Uniform Accountancy Act (UAA) Committee that is studying the CPA-Retired Status. The Board reviewed the Exposure Draft and endorsed the work of the UAA Committee. No additional comments will be submitted.

c. NASBA – Focus Questions – Due January 5, 2016. – Vice-Chair Platt will complete the Focus Questions to send to NASBA.

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(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. Mr. Mancini will follow-up.

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

a. Review of Notification(s) Received – KPMG, #P1 – The Board noted for information only.

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

Ryan W. Bell Nicholas Cetola Kevin N. Guerra

Vice-Chair Platt moved to accept the initial applications for Ryan W. Bell, Nicholas Cetola, and Kevin N. Guerra for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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

Diane Janet Rappaport Nelson

Secretary Fountain moved to approve the reciprocity application for Diane Janet Rappaport Nelson for certification. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt,

Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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

Wesley Barnard Alaa Ismail

Vice-Chair Platt moved to approve the out-of-state application for Wesley Barnard for certification. Secretary Fountain seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Secretary Fountain moved to table consideration until Alaa Ismail demonstrates that he has complied with the two (2) requirements as recommended by the Board's Legal Counsel and stated in the Board's October 6, 2015 meeting minutes. Vice-Chair Platt seconded.

Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was 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 be willing to Chair a "Communications Committee" that the Board would establish. Chair Bernard will follow up with Mr. Tracy.

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 amend its Regulation #5, Section 1.B to add Mr. Young's #11 after #10.

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Attorney Algee resubmitted the changes, based on public comment

received, to the Office of Regulatory Reform (ORR) today. ORR has up to thirty (30) days to approve/deny the changes. Attorney Algee will provide the Board with the final document. This matter is continued.

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. Attorney Algee indicated that this legislation could be presented in this legislative session but will follow up for an update.

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

a. Michael Sabol - Question on the “Mobility” requirement – The Board will respond to Mr. Sabol that he is allowed to provide services as stated by him in his September 18, 2015 e-mail to the Board without holding a Rhode Island CPA license.

b. NASBA Questioning Course for Cassandra Alecia Fidalgo – Candidate is lacking three (3) hours in business – Requesting to use three (3) semester hours of Business. – The Board reviewed the request to use three (3) semester hours in Financial Management business that is in the Accounting Department. The request was approved because the Accounting and Finance Departments are combined. The Board will respond to NASBA.

c. Any other new business – Email inquiry from Stephen Brooks regarding CPA Certification as to whether or not he could apply under the old rules when he passed the final section of the exam or the current rules today. – The Board will respond to Mr. Brooks and inform him that if he applies today, he would need to comply with the current standards and would need a Master’s degree in accordance with Rhode Island General Laws, Section 5-3.1-5(a)(3) and one (1) year of experience in accordance with Rhode Island General Laws, Section 5-3.1-5(a)(5).

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

a. The next Board meeting is scheduled for Tuesday, December 15, 2015.

(12) Executive Session

Secretary Fountain moved to convene into Executive Session at 2:48 p.m. pursuant to RI General Laws §42-46-5(a)(4) for investigative proceedings regarding allegations of civil or criminal misconduct. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 2:58 p.m. pursuant to RI General Laws §42-46-4. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was 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. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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Secretary Fountain moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

Record of Votes taken in Executive Session:

PENDING MATTERS

• 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 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 Attorney Algee to send a response to Attorney Lombardo based on her recommendation, to close and remove from the agenda. Based on the response from Attorney Lombardo, the Board will continue investigating. Member Loiselle will go to the location and review the sign. Therefore, this matter is continued.

NEW BUSINESS:

- No new matters

OLD MATTERS:

- No old matters

(13) Adjournment

Secretary Fountain moved to adjourn at 3:01 p.m. Chair Bernard seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt,

Secretary Kevin Fountain and Alisa Loiselle. Treasurer George Tashjian was not at the meeting.

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Respectfully submitted,

Kevin M. Fountain, CPA

Secretary

KMF/dmb

- **Posted on December 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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