

State of Rhode Island and Providence Plantations

BOARD OF ACCOUNTANCY

1511 Pontiac Avenue, Bldg. 68-2

Cranston, Rhode Island 02920

MEETING MINUTES

DATE: January 19, 2016

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, Treasurer George Tashjian and Member Alisa Loiselle

MEMBERS ABSENT: None

OTHERS PRESENT: Robert Mancini, Executive Director, Rhode Island Society of Certified Public Accountants (RISCPA) (Present from 1:35 p.m. – 2:01 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 December 17, 2015 Open Session Meeting

Minutes

Vice-Chair Platt moved to approve the open meeting minutes of December 17, 2015 as published. Member Loiselle seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

2. Acceptance of the December 17, 2015 Executive Session Meeting Minutes

Member Loiselle moved to approve the executive meeting minutes of December 17, 2015 as published. Vice-Chair Platt seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

(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. No information received at this time.**
- b. The Board discussed the next NASBA Eastern Regional Meeting to be held on June 7 – 9, 2016 in Asheville, NC.**

(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 internship opportunity that the Board submitted was approved by the faculty and posted to RWU's job/internship posting system for student application. The Board received two (2) requests/resumes. Attorney Algee will meet with the DBR Director and Executive Counsel to discuss the next steps. Chair Bernard met with the DBR Director, Executive Counsel and Associate Director. It was discussed that the Board oversee the intern and that the intern be off-site. This matter is continued.

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

a. None at this time.

01/19/16, Page 1 of 4

Rhode Island Board of Accountancy Open Meeting Minutes/January 19, 2016

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

Bethany Emery

Vice-Chair Platt moved to approve the initial without examination application for Bethany Emery for certification. Member Fountain

seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

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

Kellyanne G. Wilson (2120)

Member Loiselle moved to approve the reinstatement application for Kellyanne G. Wilson (2120) for certification. Vice-Chair Platt seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

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

Ann Marie Hawkins

Chair Bernard moved to accept the out-of-state application for Ann Marie Hawkins for certification. Vice-Chair Platt seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

Alaa Ismail

Secretary Fountain moved to deny the out-of-state application based on the recommendation from the Board's Legal Counsel having not

heard a response from the Australia Licensing Authority for further information, and a letter received from Jane Gao, jane.gao@publicaccountants.org.au, indicating the Alaa Ismail's full membership as a Chartered Accountant expired on June 30, 2012. Therefore, he did not present evidence that he is a current holder of a certificate, license, or degree from a foreign country constituting a recognized qualification for the practice of public accounting in that country and the lack of ability to complete continuing education. Member Loiselle seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

(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 reached out to Mr. Tracy with no response. This matter is tabled.

b. 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 will work with Mrs. Broadfield to develop the Auditing Reporting forms. The Board will review the Rhode Island General Laws and Rules and Regulations to determine what recourse there is if a licensee fails the audit. This matter was continued.

c. 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 the legislation to convert the PAs to the CPAs. Attorney Algee drafted the legislation and the DBR

01/19/16, Page 2 of 4

Rhode Island Board of Accountancy Open Meeting Minutes/January 19, 2016

submitted in it their legislative package to the Governor’s Office. Secretary Fountain found an error in the “Talking Points” that will be

corrected. This is continued.

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

a. Potential Legislation – To impose a renewal late fee – After discussion, the Board will not introduce legislation at this at this time but instead may look at how to make it an easier process to renew for licensees.

b. Erick Rodriguez - Residency waiver residency requirement to continue taking the CPA exam. Mr. Rodriguez has open eligibility for two (2) exam sections and moved to Massachusetts. Mr. Rodriguez can complete the Rhode Island exam and then transfer the scores to his new State.

c. Alex Torres – Residency waiver residency requirement to continue taking the CPA exam. Mr. Torres has open eligibility for two (2) exam sections and moved to Texas. Mr. Torres can complete the Rhode Island exam and then transfer the scores to his new State.

d. Kathryn Cross – Delphi Center for Teaching and Learning, University of Louisville – Question about University Accountancy Program Approval in Rhode Island. No approval required because of the AACSB Accreditation.

e. Stephen H. Penza (CPA.0002174 and ACC.0010023-FIRM) – Question regarding documentation required for Peer Reviews – The Board will respond to Mr. Penza that it does not have a “Peer Review Oversight Committee” and relies on the sponsoring organizations as detailed by the American Institute of CPAs (AICPA). Attorney Algee will review the Regulation to make appropriate changes.

f. Any other new business

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

a. The next Board meeting is scheduled for Tuesday, February 16, 2016 at 11:00 a.m.

(12) Executive Session

Secretary Fountain moved to convene into Executive Session at 2:57 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, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

Secretary Fountain moved to adjourn from Executive Session and to reconvene to an open meeting at 3:20 p.m. pursuant to RI General Laws §42-46-4. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

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, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard,

Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

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, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

Record of Votes taken in Executive Session:

PENDING MATTERS

• One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) audit report and financial statements for a company that disclosed deficiencies. Secretary Fountain moved to act upon the November 10, 2015 letter received from the U.S. Department of Labor ("DOL") to schedule a disciplinary hearing for the CPA to appear before the Board to address the issues at the February 16, 2016 meeting. 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

01/19/16, Page 3 of 4

Rhode Island Board of Accountancy Open Meeting Minutes/January 19, 2016

Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting. Based on Attorney Algee's recommendation, the Board will follow the procedure for Notice and Response outlined in Regulation 7. A copy of the complaint will be sent to the licensee by certified mail for a response within twenty (20) days before the Board can proceed to a disciplinary hearing.

- **One (1) matter of a person advertising on the internet as a CPA. The Board's records indicate no record found. Advertising on the internet on the PTIN directory as a CPA. The Board's records indicate no record found. The Board will send the Rhode Island licensed CPA the same internet inquiry letter as sent to others that it has come to the Board's attention that a person, who does not hold a current CPA license is advertising on the internet under the licensed CPA's advertisement. The Board is requesting that the listing of the person who is not a licensed CPA be removed from the advertisement and that the Rhode Island licensed CPA provide documentation that the requested action occurred. This matter was continued.**

- **One (1) matter of lawsuit against an ex-accounting firm on accusations of corruption and mismanagement – Complaint 2015-12 - Secretary Fountain moved to have the Board's Legal Counsel review the pleadings of the case, reply back to the Board and continue. 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. This matter was**

continued.

NEW BUSINESS:

- One (1) matter of a Practice Unit notifying the Board that the firm settled certain litigation against it in a US District Court. The Board noted that this notification is self-reporting and removed from the agenda.
- One (1) matter of a licensed CPA requesting dispensation from the required continuing professional education (CPE) hours due to illness. The Board will send a letter, by e-mail, to the licensee indicating that the Board will process the renewal application and extend the time to obtain the continuing professional education (CPE) to June 30, 2016 but cannot dispense the requirement.
- One (1) matter of a licensed CPA notifying the Board of action taken against the licensee by another State. The Board will send a letter to the licensee that based on the State's Vacating Order, the Board will not take any action at this time.

OLD BUSINESS:

- One (1) matter alleging concerns regarding the inflated invoices – The Attorney representing the complainants submitted a letter to the Board constituting the withdrawal of both complaints. The Board noted.

(13) Adjournment

Secretary Fountain moved to adjourn at 3:21 p.m. Treasurer Tashjian

seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.

Respectfully submitted,

**Kevin M. Fountain, CPA
Secretary**

KMF/dmb

• Posted on February 17, 2016 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.

01/19/16, Page 4 of 4