

**State of Rhode Island and Providence Plantations**

**BOARD OF ACCOUNTANCY**

**1511 Pontiac Avenue, Bldg. 68-2**

**Cranston, Rhode Island 02920**

**MEETING MINUTES**

**DATE: March 15, 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: 1:36 p.m. – 2:20 p.m.)**

**Jenna Algee, Esq., DBR Legal Counsel (Present from 1:37 p.m. – 3:36 p.m.)**

**Dawne Broadfield, Administrative Support Specialist**

**(1) Call to Order – Chair Bernard called the meeting to order at 1:36 p.m.**

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

### **1. Acceptance of the February 19, 2016 Open Session Meeting Minutes**

**Vice-Chair Platt moved to accept the open meeting minutes of February 19, 2016 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 February 19, 2016 Executive Session Meeting Minutes**

**Vice-Chair Platt moved to approve the executive meeting minutes of February 19, 2016 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.**

**(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 Mutual Recognition Agreements (MRA) – The Board is receiving a number of inquiries for foreign accountants from countries that NASBA has not executed a MRA.**

**• The Board will respond to NASBA that the Rhode Island Board will accept MRAs for the countries, in which NASBA has an agreement with, for Australia, Canada, Hong Kong, Ireland, Mexico and New**

**Zealand, with the exceptions that “applicants must comply with Rhode Island General Laws, 5-3.1-8 and the Continuing Professional Education (CPEs) requirement.”**

- The Board is working on regulatory language to limit foreign applicants for reciprocity to jurisdictions where there is a MRA.**

**Inquiry received from Sandeep Mishra, an Indian Chartered Accountant. The Board will respond to the e-mail inquiry that India is not recognized in the NASBA MRAs and cannot act on the request.**

**Inquiry received from Ahmed Ahmed, a resident of Egypt, but passed the US Certified Public Accountant (CPA) examination in California. The Board will respond to the e-mail inquiry that Ahmed Ahmed must**

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**meet the requirements as set forth in the Rhode Island General Laws, §5-3.1-8 and that the Board does not recognize equivalency other than the jurisdictions entered into on the NASBA MRAs and cannot act on the request.**

**b. NASBA – Treatment of U.S. Department of Labor (“DOL”) referrals –Chair Bernard addressed this during the NASBA Northeast Region Conference Call.**

**c. NASBA 2016 Meetings**

- **Eastern Regional Meeting – June 7 – 9, 2016 in Asheville, NC - Vice-Chair Platt will request a NASBA Scholarship to attend the Eastern Region Meeting in Asheville, NC.**
- **109th Annual Meeting – October 30, November 2, 2016 in Austin, TX. - Chair Bernard will request a NASBA Scholarship to attend the Annual Meeting in Austin, TX.**

**d. NASBA Northeast Region Conference Call – February 22, 2016 – 1:30 p.m. – 3:00 p.m. – Chair Bernard attended. Topics as follows:**

- **DOL referrals – no issues.**
- **Auditing continuing professional education (CPEs) hours - New Jersey is actively auditing.**
- **Interns – some States have used interns to help with processing renewals.**
- **Foreign Applicants – States are not seeing foreign applicants.**

**e. NASBA – Questions regarding the continuing professional education (CPE) requirement for non-residents. The Board will respond that it is in the process of refining this section of the Regulations and will keep NASBA updated.**

**(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. (2) The RISCPA Annual meeting is April 26, 2016.

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

a. None at this time.

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

**Alexander T. Booth Jaime Lynn Potvin**

Vice-Chair Platt moved to accept the initial applications for Alexander T. Booth and Jaime Lynn Potvin for certification. Secretary 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 initial without**

**examination application(s) for certification – (Review/Discuss/Take Action)**

**Lindsey Michelle Pinkerton**

**The application was not reviewed and removed from the agenda, since the wrong application was submitted.**

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

**Jessie Avendano (1050031) Devin A. Detwiler (2765)**

**Member Loiselle moved to accept the reinstatement applications for Jessie Avendano (1050031) and Devin A. Detwiler (2765) 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.**

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**(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. The Board discussed having meetings at other locations. Vice-Chair Platt will make contact and discuss with NASBA Communication Committee members in June. 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 is on hold.

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 submitted in it their legislative package to the Governor's Office. Secretary Fountain found an error in the "Talking Points" that will be corrected. Attorney Algee indicated that the legislation was introduced on March 3, 2016 on the House side and heard by House Corporations. This is continued.**

**d. Rules and Regulations**

**(1) Regulation 6: Peer Review Standards – Section 3. Peer Review Oversight Committee – Peer Review Oversight Committee currently consist of three (3) members, none of whom shall be current members of the Board. The Board requested that Attorney Algee draft language that the Peer Review Oversight Committee (PROC) be current members of the Board.**

**(2) Regulation 5: Continuing Professional Education – Section 1.B.1 – The Board requested that Attorney Algee amend the Regulation to remove the second sentence - "The three (3) year CPE term for new licensees shall commence on January 1 of the year following the year in which the licensee received his or her certificate."**

**(3) Regulation 5: Continuing Professional Education – Section 1.B.11 – The Board will be reviewing this section for refining. Attorney Algee drafted the language for refining CPEs for non-residents.**

**(4) NASBA Mutual Recognition Agreements (MRA) – The Board will work on adding regulatory language to limit foreign applicants for reciprocity to jurisdictions where there is a MRA.**

**e. 2016 Legislation – House Bill #7838 was introduced.**

**f. Ralph M. Greico (7006MA) - Requesting confirmation that he does**

not need to be an active CPA in RI since he is registered in Massachusetts. He is a partner in a Massachusetts firm as well as a RI firm. The Board responded that based on the ownership interest in a Rhode Island firm, he is required to hold a Rhode Island license. Mr. Greico responded that he is not a partner in a CPA firm in MA and RI. He is a partner in a bookkeeping, accounting and tax firm in MA and RI. The Board will send a response asking if Mr. Greico is providing compiled, reviewed or auditing financial statements. This matter is continued.

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

a. James Lopes, (2656) expires 06/30/2016 – Question on whether or not licensure is required. The Board will respond that the individual renewal application is required.

b. Christopher Evans – Request for Certified Public Accountant (CPA) examination credit extension – The Board denied the request for an eighteen (18) month extension and extended the AUD section through November 30, 2016 which will coincide with the BEC credit expiration. This is one-time extension.

c. Patricia Berry Howland, (968) – Requesting one-time waiver for the requirement to complete the 120 hours of Continuing Professional Education (CPE) with a three-year period for renewal. The Board will send a letter approving the CPE extension to June 30, 2016.

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

**a. The next Board meeting is scheduled for Tuesday, April 19, 2016 at 1:00 p.m. is canceled. The next Board meeting is scheduled for Tuesday, May 17, 2016.**

**(12) Executive Session**

**Secretary Fountain moved to convene into Executive Session at 3:05 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 3:35 p.m. pursuant to RI General Laws §42-46-4. 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.**

**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. 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.**

**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 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. As outlined in NASBA's February 2016 Enforcement Newsletter, the Board will utilize the new Consent process to expedite the Board's enforcement process and to save limited Board resources from being used on duplicate tasks already performed by the DOL during its investigation. The Board sent a letter to Ms. Caster requesting that the DOL Consent Form be signed and returned to the Board. The Board will send a letter to Ms. Caster requesting that she provide the withdrawal letter from DOL as requested in the last paragraph of her attorney's letter addressed to DOL within sixty (60) days.**

- One (1) matter of lawsuit against an ex-accounting firm on accusations of corruption and mismanagement - 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 for the Board's Legal Counsel review.**

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- **One (1) matter alleging that the complainant asked the Certified Public Accountant (CPA) to do accounting for a guardianship state accounting due to Probate Court. Complaint alleges that the complainant asked the licensee to do accounting for a guardianship state accounting due to Probate Court. A \$40,000 error was noted on the accounting. The licensee would sign necessary paperwork and exclude necessary forms. The work was rejected by the Probate Court which caused significant delay in filing and reporting of the interim accounting. Secretary Fountain moved to close and send a letter of admonishment. 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.**
- **One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) report and financial statements for a company that disclosed deficiencies. The U.S. Department of Labor ("DOL"), Office of the Chief Accountant, recently concluded a review of the IQPA report and financial statements for a company that disclosed deficiencies. A copy of the complaint will be sent to the licensee, by certified mail, for a twenty (20) day response, along with the DOL Consent Form. Based on the licensee's response, the Board closed this matter based on no further action from the DOL.**

### **(13) Adjournment**

**Secretary Fountain moved to adjourn at 3:36 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 May 18, 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.**

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