

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF DECEMBER 9-10, 2013 MEETING**

The Accountancy Board met on December 9, 2013 in Rooms West B and C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: W. Michael Fritz, CPA (Chair), Robert Fay, CPA (Vice-Chair), Michael Comer, CPA (Secretary), Margaret Houston, CPA (Immediate Past Chair), James Carroll, CPA (Member), Adriana Sfalcin (Public Member), James Gero, CPA (Member), James Gottfried, CPA (Member) and Michael Guinigundo, CPA (Member).

Mr. Fritz welcomed the Board's newest board member, Michael M. Guinigundo, CPA. Representing the Board staff was John E. Patterson, Executive Director and Tracey Fithen, Assistant Executive Director. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Mr. Fritz opened the meeting, with the Pledge of Allegiance, at 1:00 p.m., and said that the purpose of the meeting is to discuss the issues that will be of importance to the Board and the public accounting profession in 2014.

NASBA ENDORSEMENT – THEODORE W. LONG, JR., CPA

Ms. Houston asked the Board to endorse Theodore W. Long, Jr., CPA for the position of Vice-Chairperson of the National Association of State Boards of Accountancy. It was moved by Ms. Houston, seconded by Mr. Gottfried to endorse Mr. Long. Motion carried 9 to 0.

CHAPTER 4701-15 -- CONTINUING EDUCATION RULE CHANGES

Rules discussed were:

OAC 4701-15-02 Continuing Education Requirement. Rule G-4 (a) of the UAA requires a minimum of 20 CPE hours shall be completed each year.

Proposed change OAC 4701-15-02 requires 20 hours minimum per year with a \$10 fine for each hour deficient. The current rule does not have a yearly minimum.

Upon motion by Ms. Sfalcin, seconded by Mr. Gero, the Board motion carried to approve tracking of 20 hours per year. Motion carried 8-1.

OAC 4701-15-04 (B) Measurement of continuing education credit; types of programs.

Current rule requires one full credit (50 minutes) before half credits (25 minutes) can be granted. Currently, the rule does not permit quarter credits (13 minutes).

The Statement on Standards for Continuing Professional Education (CPE) Programs – Standard 3.04-S13.01 defines a credit as 50 minutes but does not directly address the issue of partial credits.

The Board agreed to half hour credit (25 minutes) alone, but not quarter hour credits to count towards accrual of cpe.

Upon motion by Ms. Houston, seconded by Mr. Gottfried, the Board voted to approve the changes to OAC 4701-15-04 (B). Motion carried 9-0.

OAC 4701-15-04 (E) Credit for teaching a particular classroom program (3 times per credit) may be claimed.

- A. Per class.
- B. Once per year.
- C. Once per reporting period.

Upon motion by Ms. Houston, seconded by Mr. Carroll, the Board voted to approve the changes to OAC 4701-15-04 (E). Motion carried 9-0.

OAC 4701-15-11 Required continuing education programs.

Paragraph (A) changed to require at least 24 hour continuing education credit in the fields of accounting, auditing or attest standards if you perform assurance services including but not limited to accounting, auditing, attestation work, financial reporting or internal control reporting.

- Maintain paragraph (D) twenty four hours of tax.
- Combine paragraph (B) with paragraph (A).
- Eliminate paragraph (E) 90 hours of other.

The Board moved to discuss at the February 21, 2014 Board meeting. Comments are to be sent to Mr. Patterson prior to the meeting.

Mr. Patterson read comments from the Ohio Society of CPA's (OSCPA), Scott Wiley, President and CEO.

PEER REVIEW IN 2014

The Board will meet with the OSCPAs at the February 21, 2014 Board meeting.

CHAPTER 4701-17 SCHOLARSHIPS (2015)

Ms. Houston discussed the changes that the Education Assistance Committee would like to see implemented by the year 2015 regarding rule changes and allocation of funds.

OTHER ISSUES

The Board discussed whether changes need made in regards to the CPA examination and if the Board is satisfied with the examination as administered by NASBA and Prometrics.

The Board also discussed the UAA mobility Exposure Draft regarding Firm Mobility Guidance. Mr. Patterson asked for comments to be sent to him by the end of January in order to respond.

BOARD COMMITTEES

Mr. Fay, as the Board's new incoming Chair for 2014, led discussion concerning the Board's committee structure for 2014. He agreed to look at committees and present them at the February 21, 2014 Board meeting.

OHIO ETHICS TRAINING

Ms. Rachel Huston presented the Ohio ethics training entitled "The Ohio Ethics Law" to the Board members. All Board members required to take the training were in attendance.

DECEMBER 10, 2013 ACCOUNTANCY BOARD OF OHIO BOARD MEETING

The Accountancy Board reconvened on December 10, 2013 at 9:00 a.m. in Rooms West B and C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Robert F. Fay, CPA (Chair), James Carroll, CPA (Secretary), W. Michael Fritz, CPA (Immediate Past-Chair), Margaret Houston, CPA (Past Chair), Adriana Sfalcin (Public Member), James Gero, CPA (Member), James Gottfried, CPA (Member) and Michael Guinigundo, CPA (Member). Michael Comer, CPA (Vice-Chair) was absent.

Mr. Fay, as the new Chair, presented Mr. Fritz with the Chair Gavel Award for his service as Chair during the 2013 year. Ms. Greta Russell, CPA (Past Board Member) was awarded the Distinguished Service Award for her years serving on the board in appreciation for her service and contributions. Representing the Board staff was John E. Patterson, Executive Director and Tracey Fithen, Assistant Executive Director. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Mr. Fay opened the meeting, with the Pledge of Allegiance, at 9:00 a.m.

Present in the audience were Carlos E. Johnson, NASBA's Chair for 2013-14, Greta Russell, CPA, Scott D. Wiley, CEO, Barbara Benton, Vice President for Governmental Affairs, Laura Hay of the Ohio Society of Certified Public Accountants (OSCPA), and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

PRESENTATION BY NASBA'S CHAIR – CARLOS JOHNSON

Mr. Fay introduced Carlos Johnson, NASBA's Chair for 2013-2014.

Mr. Johnson spoke with the board regarding all the changes and new ideas being implemented by NASBA. He noted that the Accountancy Board of Ohio has consistently been among the national leaders in accountancy regulation. He commended the Board for its efforts in maintaining its leadership among the states and noted several changes within NASBA towards improving its standards.

APPROVAL OF THE NOVEMBER 8, 2013 BOARD MEETING MINUTES

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to approve the minutes of the November 8, 2013 Board meeting. Motion carried 7-0.

INFORMATION REPORTS AND UPDATE

NASBA INFORMATION

Mr. Patterson noted that the NASBA Executive Directors and Legal Counsel Conference will be held in Savannah, Georgia in March 2014.

FINANCIAL AND BUDGET REPORT

Ms. Fithen said that the Board's current budget situation was good and there were no unexpected expenses so far in fiscal year 2014.

INVESTIGATIONS REPORT

Mr. Jesse Dixon reported that, to date, there are a total of 74 open cases and 9 cases in litigation. Currently, there are 39 cases with compliance action pending.

EDUCATION ASSISTANCE PROGRAM REPORT

Ms. Elisabeth Newell reported that a total of \$150,508 has been paid in scholarships so far in fiscal year 2014. This amount includes the \$50,000.00 grant to the Accounting Career Awareness Program paid in October 2013.

OLD BUSINESS

Mr. Dixon discussed the status of past hearings.

The Board discussed the approval of two PSR sponsor courses which are being moved to the February 21, 2014 board meeting agenda after more review.

NEW BUSINESS

There was no new business to report.

REQUESTS FOR WAIVER OF LATE FILING FEES

ALEX Y. AMPIAW

Mr. Ampiauw requested a waiver of the \$300 late fee applicable to the renewal of his Ohio permit because due to not working in the accounting profession.

MICHAEL V. WAGNER

Mr. Wagner requested a waiver of the \$150 late fee applicable to the renewal of his Ohio firm registration because of no reasonable explanation.

DISCIPLINARY HEARING: ANNA K. BURKHART

Mr. Fay opened a disciplinary hearing at 10:53 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Anna K. Burkhart with 4701.16(A)(4), concerning violation of a rule of professional conduct promulgated by the board under the authority granted by this chapter, as well as 4701.16(9), failure of a holder of a CPA certificate to obtain an Ohio permit or an Ohio registration. Ms. Burkhart was not in attendance.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibit A, 1 through 9 and Exhibit B, 1 through 11.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson had not items to discuss other than the board staff and he are working through the rules as discussed at the Board retreat.

CHAIR'S REPORT

Mr. Fay requested that a Chair's Report be added to the agenda for all future meetings.

EXECUTIVE SESSION

Upon motion by Mr. Carroll, seconded by Mr. Fritz, the Board voted to recess into executive session, pursuant to ORC 121.22 to discuss disciplinary personnel matters of a state employee. Motion carried 8-0 on a roll call vote. After discussion the Board voted to return to general session.

EXECUTIVE DELIBERATION

Upon motion by Mr. Fay, seconded by Mr. Gero, the Board voted to recess to conduct deliberations of the waiver of late fee requests and formal hearings. Motion carried 8-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee:

- Alex Ampjaw
- Michael V. Wagner

Motion carried 8-0 on a roll call vote.

FORMAL HEARING: ANNA K. BURKHART

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Anna K. Burkhardt. Motion carried 8-0 on a roll call vote.

BOARD CALENDAR OF EVENTS

The Board agreed on the following meeting dates for 2014-2015:

- February 21, 2014 (Friday) (Regular Board meeting)
- April 25, 2014 (Room East B)
- June 13, 2014 (Room East B)
- July 11, 2014 (Room East B)
- September 5, 2014 (Room East B)
- November 7, 2014 - Annual Meeting (Room East B)
- December 8th, 2014 - Board Retreat (Room East B)
- December 9th, 2014 (Room East B)
- February 6th, 2015 (Room East B)

ADJOURNMENT

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to adjourn. Motion carried 8-0.

ROBERT F. FAY
CHAIR

JAMES CARROLL
SECRETARY