

**STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANTS
OF LOUISIANA**

601 Poydras Street, Suite 1770
New Orleans, Louisiana 70130

April 23, 2020

The regular meeting of the State Board of Certified Public Accountants of Louisiana was called to order by Chair Mrs. Hutchinson on Thursday, April 23, 2020 via audio / video conferencing as allowed by Executive Proclamation Number 41 JBE 2020 due to the COVID-19 pandemic.

The purposes of this meeting were to attend to board matters that could not be deferred until the next board meeting: approve January's minutes, to review and approve the Board's professional service contracts for Legal Services and Peer Review Oversight services, to authorize CPA exam continuous testing, and to approve extending NTS deadlines for CPA Exam candidates due to testing center closures.

The following Members were present:

Lynn V. Hutchinson, CPA	-	Chair
Nicholas J. Langley, CPA	-	Treasurer
Desireé Honoré Thomas, CPA	-	Secretary
Michael D. Bergeron, CPA	-	Member
Sue S. Alizadeh, CPA	-	Member
Grady R. Hazel, CPA	-	Member
Letti Lowe-Ardoin, CPA	-	Member

Also present were:

Staff:	Darla M. Saux, CPA	-	Executive Director
	Lisa A. Benefield	-	Deputy Director
	John Morgan	-	Compliance Investigator
	Caren Singleton	-	Licensing Analyst

The meeting was called to order by Chair Mrs. Hutchinson at 10:05 a.m. on Thursday, April 23, 2020, upon motion by Mr. Bergeron, seconded by Mrs. Alizadeh and unanimously adopted.

I. CHAIR'S REPORT

A. COVID-19 update

Mrs. Hutchinson updated Board Members on the current declarations in force by both the Governor and the Mayor of New Orleans, as well as the office status.

Mrs. Hutchinson also advised that two public questions / comments had been received, but since the subject matter included topics not already included in the Board's published Agenda, the Board would need to unanimously agree to add the items.

By motion of Mrs. Honoré Thomas, seconded by Mr. Langley and unanimously adopted, the Board allowed the two public questions / comments to be added to the agenda, read aloud, and discussed.

Question #1: (abbreviated) Will the State Board provide some type of CPE relief or waivers to CPAs for the 2020 year? What type of CPE relief can the State Board offer to Louisiana CPAs for the year 2020? The Board deferred these questions to the July 2020 Board meeting.

Question #2: Peer review requirements for 2020 also cause additional work for Louisiana CPAs. Would the State Board waive or extend peer review requirements by 6 months for CPAs affected by the virus uncertainty? The Board deferred this question to the July 2020 Board Meeting.

II. APPROVAL OF MINUTES

The regular and executive session minutes for the January 2020 Board Meeting were previously sent to Board members for review.

By motion of Mr. Bergeron, seconded by Mrs. Alizadeh and unanimously adopted, the Board approved the January 2020 regular and executive session minutes as drafted.

III. NEW MATTERS

A. Professional Service Contracts, Legal Services for Fiscal Year Ending June 30, 2023

1. Adams and Reese, LLP

The professional service contract for Adams and Reese, LLP for fiscal years July 1, 2020 through June 30, 2023, in the anticipated budgeted amount of \$45,000 (\$15,000 each fiscal year) was presented to the Board for review and approval.

Upon motion by Mr. Bergeron, seconded by Mr. Hazel, by a vote of 7 to 0 the Board approved the professional service contract for Adams and Reese, LLP for the fiscal

years July 1, 2020 through June 30, 2023, in the amount of \$45,000 (\$15,000 each fiscal year). The following resolution was read aloud by Mrs. Hutchinson:

**THE STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANTS OF
LOUISIANA**

RESOLUTION

The following Motion and Resolution was offered by Mr. Bergeron who moved for its adoption, and seconded by Mr. Hazel at the April 2020 meeting of the State Board of Certified Public Accountants of Louisiana (the “Board”):

WHEREAS, obtaining legal representation is a necessity for the Board in order to effectively enforce the Louisiana Accountancy Act and the Board Rules of Professional Conduct; and

WHEREAS, the Board’s legal representation needs to be varied because of possible conflicts of interest in complaint cases where the Board would need a prosecuting attorney and an attorney to represent the Board’s interest; and

WHEREAS, the Board’s contract for legal services with Adams and Reese, LLP shall be executed for three fiscal years July 1, 2020 through June 30, 2023, at the following rates of pay, and not to exceed a maximum of \$15,000 per year (totaling \$45,000) for that period:

\$225.00 per hour for the performance of such services by attorneys with 10 or more years of professional experience;

\$175.00 per hour for the performance of such services by attorneys with five or more but less than 10 years of professional experience;

\$150.00 per hour for the performance of such services by attorneys with three or more but less than five years of professional experience;

\$125.00 per hour for the performance of such services by attorneys with less than three years of professional experience;

\$60.00 per hour for the performance of such services by non-attorney paralegals;

\$40.00 per hour for the performance of such services by law clerk personnel; and

WHEREAS, this resolution shall take effect immediately.

THEREFORE, BE IT RESOLVED, that the State Board of Certified Public Accountants of Louisiana, pursuant to La. R.S. 42:262, does hereby retain and employ Adams and Reese, LLP as special counsel; and

BE IT FURTHER RESOLVED, that this Resolution and proposed contract described herein be submitted to the Attorney General for the State of Louisiana for approval.

The resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:	7
NAYS:	0
ABSENT:	0
NOT VOTING:	0

Whereupon the Resolution was declared adopted by the State Board of Certified Public Accountants of Louisiana on the 23rd day of April 2020.

2. The Derbes Law Firm, LLC

The professional service contract for the Derbes Law Firm, LLC for fiscal years July 1, 2020 through June 30, 2023, in the anticipated budgeted amount of \$150,000 (\$50,000 per fiscal year) was presented to the Board for review and approval.

Upon motion by Mr. Langley, seconded by Mr. Bergeron by a vote of 7 to 0 the Board approved the professional service contract for the Derbes Law Firm, LLC for fiscal years July 1, 2020 through June 30, 2023, in the amount of \$150,000 (\$50,000 per year). The following resolution was read aloud by Mrs. Hutchinson:

**THE STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANTS OF
LOUISIANA

RESOLUTION**

The following Motion and Resolution was offered by Mr. Langley who moved for its adoption, and seconded by Mr. Bergeron at the April 2020 meeting of the State Board of Certified Public Accountants of Louisiana (the “Board”):

WHEREAS, obtaining legal representation is a necessity for the Board in order to effectively enforce the Louisiana Accountancy Act and the Board Rules of Professional Conduct; and

WHEREAS, the Board’s legal representation needs to be varied because of possible conflicts of interest in complaint cases where the Board would need a prosecuting attorney and an attorney to represent the Board’s interest; and

WHEREAS, the Board’s contract for legal services with the Derbes Law Firm, LLC, shall be executed for three fiscal years July 1, 2020 through June 30, 2023, at

the following rates of pay, and not to exceed a maximum of \$50,000 per year (totaling \$150,000) for that period:

\$225.00 per hour for the performance of such services by attorneys with 10 or more years of professional experience;

\$175.00 per hour for the performance of such services by attorneys with five or more but less than 10 years of professional experience;

\$150.00 per hour for the performance of such services by attorneys with three or more but less than five years of professional experience;

\$125.00 per hour for the performance of such services by attorneys with less than three years of professional experience;

\$60.00 per hour for the performance of such services by non-attorney paralegals;

\$40.00 per hour for the performance of such services by law clerk personnel; and

WHEREAS, this resolution shall take effect immediately.

THEREFORE, BE IT RESOLVED, that the State Board of Certified Public Accountants of Louisiana, pursuant to La. R.S. 42:262, does hereby retain and employ the Derbes Law Firm, LLC, as special counsel; and

BE IT FURTHER RESOLVED, that this Resolution and proposed contract described herein be submitted to the Attorney General for the State of Louisiana for approval.

The resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:	7
NAYS:	0
ABSENT:	0
NOT VOTING:	0

Whereupon the Resolution was declared adopted by the State Board of Certified Public Accountants of Louisiana on the 23rd day of April, 2020.

3. Shows, Cali & Walsh, LLP

The professional service contract for Shows, Cali & Walsh, LLP for fiscal years July 1, 2020 through June 30, 2023, in the anticipated budgeted amount of \$30,000 (\$10,000 per fiscal year) was presented to the Board for review and approval.

Upon motion by Mr. Bergeron, seconded by Mrs. Honoré Thomas, by a vote of 7 to 0 the Board approved the professional service contract for Shows, Cali & Walsh, LLP for fiscal years July 1, 2020 through June 30, 2023, in the amount of \$30,000 (\$10,000 per year). The following resolution was read aloud by Mrs. Hutchinson:

**THE STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANTS OF
LOUISIANA

RESOLUTION**

The following Motion and Resolution was offered by Mr. Bergeron who moved for its adoption, and seconded by Mrs. Honoré Thomas at the April 2020 meeting of the State Board of Certified Public Accountants of Louisiana (the “Board”):

WHEREAS, obtaining legal representation is a necessity for the Board in order to effectively enforce the Louisiana Accountancy Act and the Board Rules of Professional Conduct; and

WHEREAS, the Board’s legal representation needs to be varied because of possible conflicts of interest in complaint cases where the Board would need a prosecuting attorney and an attorney to represent the Board’s interest; and

WHEREAS, the Board’s contract for legal services with Shows, Cali & Walsh, LLP shall be executed for three fiscal years July 1, 2020 through June 30, 2023, at the following rates of pay, and not to exceed a maximum of \$10,000 per year (totaling \$30,000) for that period:

\$225.00 per hour for the performance of such services by attorneys with 10 or more years of professional experience;

\$175.00 per hour for the performance of such services by attorneys with five or more but less than 10 years of professional experience;

\$150.00 per hour for the performance of such services by attorneys with three or more but less than five years of professional experience;

\$125.00 per hour for the performance of such services by attorneys with less than three years of professional experience;

\$60.00 per hour for the performance of such services by non-attorney paralegals;

\$40.00 per hour for the performance of such services by law clerk personnel; and

WHEREAS, this resolution shall take effect immediately.

THEREFORE, BE IT RESOLVED, that the State Board of Certified Public Accountants of Louisiana, pursuant to La. R.S. 42:262, does hereby retain and employ Shows, Cali & Walsh, LLP as special counsel; and

BE IT FURTHER RESOLVED, that this Resolution and proposed contract described herein be submitted to the Attorney General for the State of Louisiana for approval.

The resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:	7
NAYS:	0
ABSENT:	0
NOT VOTING:	0

Whereupon the Resolution was declared adopted by the State Board of Certified Public Accountants of Louisiana on the 23rd day of April, 2020.

B. Renewal of Contracts for Current PROC Members

Contracts for the PROC members for fiscal year July 1, 2020 – June 30, 2021 were prepared and ready for the PROC members’ signature. The contracts are for \$150 per hour with a maximum amount of \$6,000.

The Board considered whether to offer the contracts to the current PROC members, Mr. George Lewis, Mr. J. Charles Parker II, and Mr. Leon L. Stockwell, III for the July 1, 2020 – June 30, 2021 fiscal year. All three expressed interest in continuing for another year.

One suggested change – Paragraph 4 in the current contracts read (change in underlined portion to be considered):

4.

In addition to the compensation provided for in the preceding paragraph hereof, the Board shall reimburse [*insert PROC Member name*] for all costs and expenses advanced by [*insert PROC Member name*] on behalf of the Board and/or reasonably incurred in connection with the rendition of professional services hereunder including, but not limited to, travel expenses, costs, and reimbursement of registration fees for Continuing Professional Education (CPE) courses and/or seminars. Travel expenses, if any incurred by [*insert PROC Member name*] in the performance of professional services hereunder, shall be reimbursed in accordance with Division of Administration Policy and Procedure Memorandum 49 (the State General Travel Regulations), as such Memorandum may from time to time be amended. Total CPE registration reimbursement shall not exceed \$1,000 or 40 hours per contract year (whichever comes first) and shall include the Certificate of Completion for each course attached to the

reimbursement request/invoice. Reimbursement for all expenses must have receipts and/or documentation attached to the invoices or reimbursement will not be made.

One PROC member has suggested CPE reimbursement be changed to allow for reimbursement of CPE registration fees incurred during a calendar year that falls within the contract year. Thus, paragraph 4 has been recommended to read:

4.

In addition to the compensation provided for in the preceding paragraph hereof, the Board shall reimburse [*insert PROC Member name*] for all costs and expenses advanced by [*insert PROC Member name*] on behalf of the Board and/or reasonably incurred in connection with the rendition of professional services hereunder including, but not limited to, travel expenses, costs, and reimbursement of registration fees for Continuing Professional Education (CPE) courses and/or seminars. Travel expenses, if any incurred by [*insert PROC Member name*] in the performance of professional services hereunder, shall be reimbursed in accordance with Division of Administration Policy and Procedure Memorandum 49 (the State General Travel Regulations), as such Memorandum may from time to time be amended. Total CPE registration reimbursement shall not exceed \$1,000 in the contract year for fees incurred to meet Louisiana's CPE requirements during and for any calendar year that falls within the contract year. A valid Certificate of Completion for each course must be attached to the reimbursement request/invoice. Reimbursement for all expenses must have receipts and/or documentation attached to the invoices or reimbursement will not be made.

Upon motion by Mr. Hazel, seconded by Mr. Bergeron, the Board approved the contracts for the current PROC members for the fiscal year 2020–2021 as amended for CPE reimbursement.

C. NTS Extensions due to Testing Center closures

On March 17, 2020 Prometric Testing Centers issued notice that all U.S. testing centers would be closed for 30 days effective immediately due to the COVID-19 pandemic. They have since extended the closures thru April 30th. The initial notice was shared with board members in mid-March, as well as two recommendations from NASBA to all boards:

(1) NTS extensions – It was recommended that all candidates with NTS expirations between April 1 – June 30, 2020 be extended until September 30, 2020. If approved, NASBA could do that for all jurisdictions without any further action from boards.

(2) Credit Extensions – For candidates who have an open NTS and credit expiring through June 30, 2020, NASBA recommended that boards grant a 90-day extension of exam credit to those candidates impacted by circumstances beyond their control. NASBA could provide a list of all applicable Louisiana candidates to us for review on a case-by-case basis.

NASBA offered to communicate to all candidates on behalf of boards how these issues were being handled and requested guidance and authorization/approval from all boards.

After input from the board members, the Executive Director advised NASBA that Louisiana's board would adopt the recommendations from NASBA. Approval of the first recommendation needed to be formally adopted. No action was required for the second recommendation, as requests for exam credit extensions will be reviewed and presented to the board for approval.

Upon motion by Mr. Bergeron, seconded by Mr. Langley, the Board ratified its determination to approve NTS extensions to September 30, 2020 for all candidates with NTS expirations between April 1 – June 30, 2020.

IV. RECURRING MATTERS

A. Continuous Testing Rule Change

The proposed rule change adopted by the Board at its July 2019 meeting to allow continuous testing was finalized after no written comments were received nor a request for a public hearing in January 2020, and published in the March 2020 issue of the *Louisiana Register*.

Board Rule §505.F.1.b now reads:

- i. Subject to Clause ii. below, candidates shall not retake a failed test section(s) in the same testing “window.” A testing window is equal to a calendar quarter (Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec). Candidates will be able to test no less than two months out of each testing window.
- ii. If the board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, §505F.1.b.i. will no longer be effective, and candidates can retake a failed test section once their grade for any previous attempt of that same test section has been officially released.

NASBA has confirmed and publicly announced on March 31st that the changes have been implemented by state boards, AICPA and Prometric to allow continuous testing for all candidates effective July 1, 2020.

Upon motion by Mr. Langley, seconded by Mrs. Honoré Thomas, the Board resolves that the examination system changes necessary to eliminate test window limitations in Board Rule §505F.1.b.i have been implemented and that consistent with Board Rule §505F.1.b.ii, effective July 1, 2020, candidates shall not be subject to those test window limitations.

V. ADJOURNMENT

Thursday, April 23, 2020:

There being no further business to discuss, upon motion by Mr. Langley, seconded by Mr. Bergeron and unanimously adopted, the meeting adjourned at 10:38 a.m.