



Accountancy Board of Ohio



Annual Report

Fiscal Year Ended June 30, 2019



INTRODUCTION

The Accountancy Board of Ohio is the state government agency established by the Ohio General Assembly in 1908 to regulate the practice of public accounting in Ohio. The Board is responsible for examining and licensing certified public accountants, licensing the remaining public accountants, registering public accounting firms and enforcing the provisions of Chapter 4701 of the Ohio Revised Code as passed by the General Assembly and Chapter 4701 of the Ohio Administrative Code as adopted by the Board.

The Board is entirely self-sustaining. It does not spend any tax dollars. Revenue is generated from fees collected for license applications, license renewals and other services. The Board reimburses other state agencies for services rendered.

The Ohio Attorney General is the statutory legal counsel to the Board. Jahan S. Karamali, Principal Assistant Attorney General, represents the Board in administrative hearings and court proceedings.

Mission Statement

The mission of the Accountancy Board of Ohio is to assure that the services received by Ohio's citizens and businesses from CPAs and PAs licensed by the Board, will always be performed in an ethical and professional manner and to strictly and fairly enforce Ohio's statutes and rules.

Vision Statement

It is the vision of the Accountancy Board of Ohio to become the regulatory agency that provides quality service to the public through the effective use of technology and the implementation of best business practices.

Message from the Board Chair

Mike M. Guinigundo, CPA

I have been a licensed CPA for over 23 years, and I must say that serving as Chair of the Accountancy Board of Ohio for the past year has been one of the most satisfying.



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The following is a quick synopsis of the Accountancy Board accomplishments and initiatives for 2019.

Currently, there are 22,934 permit holders, 8,132 registration holders, 5,408 retired status, 1,087 peer review firms, and 1,653 tax/consulting firms registered with the Board.

A total of 797 CPAs were certified during the 2019 fiscal year.

Our total expenditures for Fiscal year 2019 for the Education Assistance Fund totaled over \$465,000. This fund helps students who are in their fifth year of college studies and are planning on taking the CPA exam.

The Accountancy Board visited Miami University in Oxford, Ohio for our annual college day. During this visit we had various presentations to students on the CPA learning track. Representatives from NASBA and the Ohio Society of CPAs spoke about relevant issues. The Board Members were able to give personal insight to the accounting profession during a student question and answer session.

The Ohio Accountancy Board continues to be a nationwide leader when it comes to the CPA profession. This year, we are at the forefront of pushing for continuous CPA exam testing. We have multiple past and present board members represent the members of our state on the national level, in associations such as the AICPA, NASBA, and the Ohio Society of CPAs.

I want to personally thank our executive director, legal counsel, and support staff for their guidance, knowledge and endless support of the board and its members this past year. Without their support, we would not have such an accomplished board.

Finally, I would like to thank each and every member of this board who give up so much of their time and talent to support the board, its members, and our worthy profession.

With great confidence and conviction, I pass the gavel to incoming Chair Ms. Margaret Gilmore, CPA, CGMA, MT.

Respectfully,

Mike M. Guinigundo, CPA

ACCOUNTANCY BOARD OF OHIO MEMBERS

The Board is composed of nine members, eight of whom are certified public accountants and one who is a member of the general public. The Governor, with the advice and consent of the Senate, appoints each member to a seven-year term. Board members are compensated on an hourly basis for time devoted to the Board's affairs. They are reimbursed for expenses incurred in the performance of their official duties.

OFFICERS



Mike M. Guinigundo, CPA

Chair

Term 10/21/2013—10/20/2020 (licensed since 1997)
Owner, Guinigundo & Guinigundo CPAs Inc.,
Fairfield, Ohio.



Margaret A. Gilmore, CPA

Vice-Chair

Term 2/09/2015—10/20/2021 (licensed since 1997)
Managing Director, BDO, Columbus, Ohio
Adjunct Professor, Capital University, Columbus, Ohio.



Kenya Y. Watts, CPA

Secretary

Term 1/14/2016—10/20/2022 (licensed since 2003)
Manager, Business Services for BHM CPA group,
Columbus, Ohio.



James D. Gottfried, CPA

Past-Chair

Term 10/21/2012—10/20/2019 (licensed since 1979)
Retired Partner — Ernst & Young, Westlake, Ohio.

ACCOUNTANCY BOARD OF OHIO MEMBERS

MEMBERS



James B. Redmond, CPA

Term 1/14/2016—10/20/2022 (licensed since 2009)
Audit Partner, Deloitte & Touche LLP,
Columbus, Ohio



Gerald P. Weinstein, CPA

Term 05/30/2017—10/20/2023 (licensed since 1977)
Professor of Accountancy, John Carroll University,
University Heights, Ohio



John E. Soucie, CPA

Term 05/30/2017—10/20/2023 (licensed since 1984)
Managing Director, Grant Thornton LLP,
Cleveland, Ohio



R. Scott Blake, MBA (Public Member)

Term 11/14/2017-10/20/2024
Financial Advisor, Northwestern Mutual,
Columbus, Ohio



Brendan P. Fitzgerald, CPA

Term 12/7/2018—10/20/2025 (licensed since 1988)
Partner, Sustin Bartell Waldman & Fitzgerald LTD,
Cleveland, Ohio

ACCOUNTANCY BOARD OF OHIO

Standing Committees 2019

Michael Guinigundo, Board Chair

(The Board Chair is an ex-officio member of all committees)

Executive Committee

Michael Guinigundo, Chair
Maggie Gilmore, Vice Chair
Kenya Watts, Secretary

Disciplinary Advisory Committee

James Redmond, Chair
John Soucie
R. Scott Blake

Nominating Committee

Michael Guinigundo, Chair
John Soucie
Gerald Weinstein

Licensing Committee

John Soucie, Chair
James Redmond
Kenya Watts
Gerald Weinstein

Education Assistance Committee

Kenya Watts, Chair
Gerald Weinstein
Maggie Gilmore
R. Scott Blake
Brendan Fitzgerald

Office Oversight Committee

R. Scott Blake, Chair
Kenya Watts
John Soucie
Brendan Fitzgerald

Peer Review Oversight Committee

Gerald Weinstein, Chair
James Redmond
John Soucie

Finance and Audit Committee

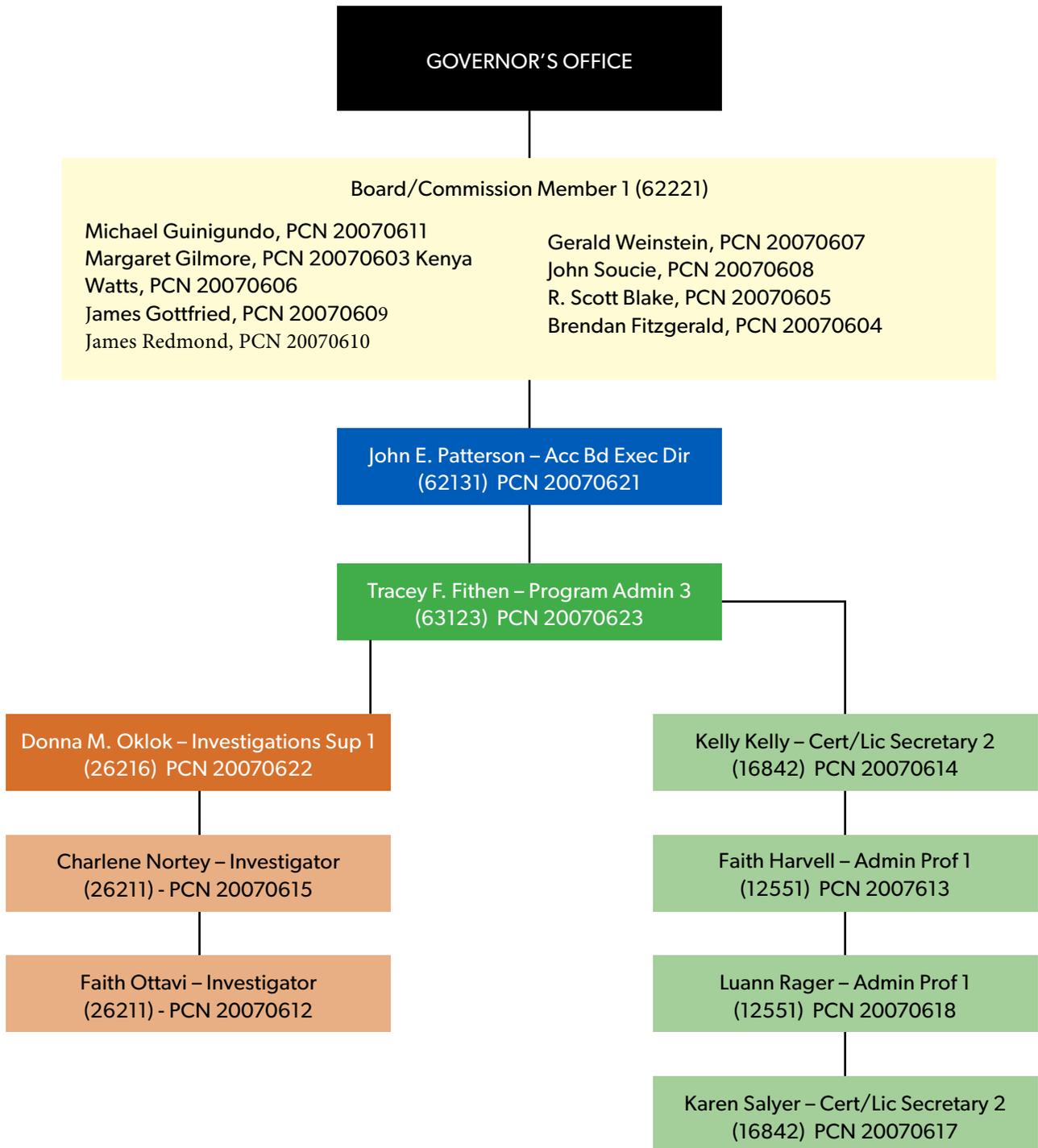
Maggie Gilmore, Chair
James Gottfried
R. Scott Blake

Mike M. Guinigundo, CPA

**2019 Chair of the
Accountancy Board of Ohio**



ACCOUNTANCY BOARD OF OHIO



ACCOUNTANCY BOARD OF OHIO

Accountancy Board Staff

Executive Office



John E. Patterson

Executive Director
(614) 995-0192



Tracey F. Fithen

Assistant Executive Director
(614) 644-9037



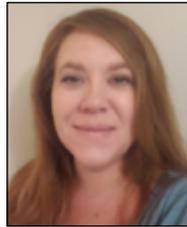
James D. Gottfried, CPA

Immediate Past Chair

Operations Staff



Kelly Ann Kelly
Firm Registration
(614) 752-8249



Faith Harvell
Revenue/Education
Assistance Program
(614) 728-6764



Luann Rager
Information Secretary
(614) 752-5075



Karen Salyer
CPA Certification/Licensing
(614) 752-7472

Enforcement & Compliance



Donna Oklok
Investigations Supervisor
(614) 728-3004



Charlene Nortey
Investigator
(614) 466-1660



Faith Ottavi
Investigator
(614) 752-2468

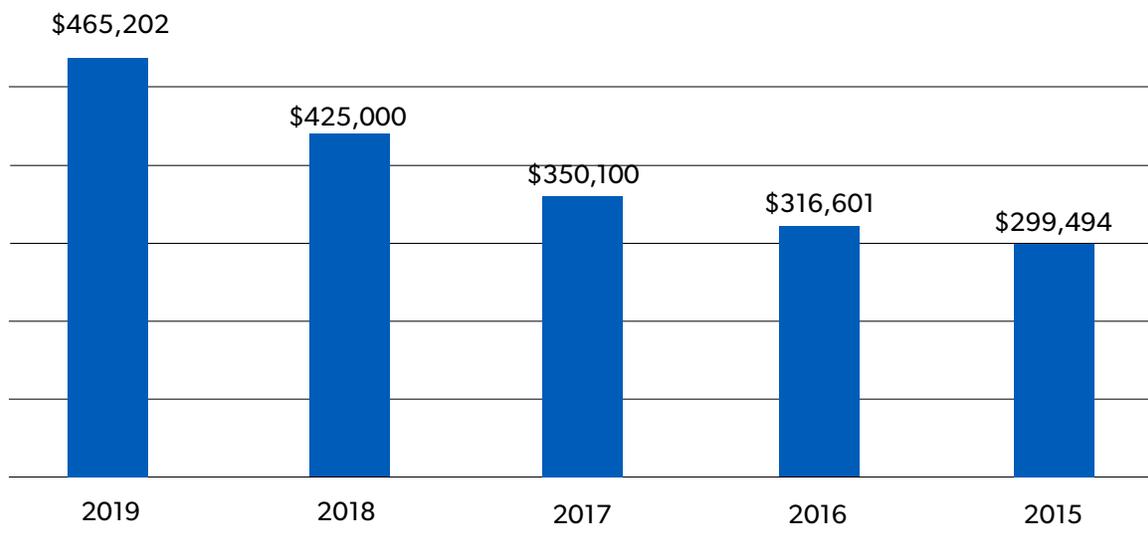
OHIO ATTORNEY GENERAL

Jahan Karamali
General Counsel, Assistant State Attorney General

Education Assistance Grant Payments By Fiscal Year

In 1992, the Ohio General Assembly passed legislation authorizing an education assistance program for students enrolled in the fifth year of study, who demonstrate financial need and intend to sit for the CPA exam.

Education Assistance Grant Payments by Fiscal Year *Year Ended June 30*



Accountancy Board of Ohio Board Meeting

September 7, 2018

Held at The University of Akron College
of Business Administration



Thank you, University of Akron



CPA Certificate and Examination

In order to obtain the CPA certificate, a candidate needs to complete the three “E’s” of education, examination, and experience.

Since January 1, 2000, the education and experience requirements for the CPA certificate has been:

Education

A baccalaureate degree and 150 semester hours of college credit, including 30 semester hours in accounting and 24 semester hours in business courses other than accounting courses.

OR

An associates or baccalaureate degree and a minimum 620 score on the Graduate Management Admission Test.

GMAT

The candidate must also complete 30 accounting hours and 24 business hours.

Examination

Successful completion of the CPA examination.

Experience

One year of experience performing accounting or accounting-related duties acceptable to the Board.

Since 2004 the CPA examination has been computer-based. The exam is available during the first two months of each calendar quarter. There are four sections to the CPA examination: Auditing, Business Environment and Concepts, Financial Accounting and Reporting, and Regulation. They may be taken in any order.

For more information about the CPA exam go to:

<http://acc.ohio.gov/CPAExam.aspx>.

The computer-based CPA examination is held at the following sites:

- Akron – (1000 S. Cleveland-Massillon Rd., Suite 104)
- Cincinnati – (11353 Reed Hartman Highway, Suite LL50)
- Cleveland - Middleburg Heights (7261 Engle Road, Suite 203)
- Columbus-Worthington – (450 W. Wilson Bridge Rd., Suite 210)
- Dayton-Fairborn – (2600 Paramount Place, Suite 190)
- Mansfield—(625 Lexington Avenue, Suite 6)
- Mentor – (8880 Mentor Avenue)
- Toledo-Maumee (1745 Indian Wood Circle, Suite 110)
- Youngstown-Niles – (Square 1 Center, 950 Youngstown-Warren Road, Suite D)



John E. Patterson, Executive Director, Accountancy Board of Ohio speaks at the Accounting Career Awareness Program (ACAP) luncheon presented by The Ohio State University.

Candidate Performance

July-September 2018				
SECTION	TAKING	PASSING	PASS %	SCORE ¹
AUD	299	149	49.83	72.39
BEC ²	229	135	58.95	76.45
FAR ³	278	99	35.61	65.73
REG	171	74	43.27	69.03
Total	977	457	46.78	70.86

October-December 2018				
SECTION	TAKING	PASSING	PASS %	SCORE ¹
AUD	315	187	59.37	74.18
BEC ²	210	128	60.95	76.16
FAR ³	270	131	48.52	70.13
REG	253	136	53.75	71.83
Total	1,048	582	55.53	72.97

January-March 2019				
SECTION	TAKING	PASSING	PASS %	SCORE ¹
AUD	376	209	55.59	73.12
BEC ²	276	172	62.32	76.52
FAR ³	460	244	53.04	72.77
REG	409	220	53.79	72.72
Total	1,521	845	55.56	73.52

April-June 2019				
SECTION	TAKING	PASSING	PASS %	SCORE ¹
AUD	361	158	43.77	70.33
BEC ²	308	191	62.01	76.38
FAR ³	400	177	44.25	68.94
REG	516	256	49.61	70.19
Total	1,585	782	49.34	71.11

Fiscal Year 2019 Totals				
SECTION	TAKING	PASSING	PASS %	SCORE ¹
AUD	1,351	703	52.03	72.50
BEC ²	1,023	626	61.19	76.37
FAR ³	1,408	651	46.23	69.39
REG	1,349	686	50.85	70.94
Total	5,131	2,666	51.95	72.30

¹Average Score

²Business Environment and Concepts

³Financial Accounting and Reporting

NOTE: Prior to the computer-based exam, the passing percentage was under 30%.



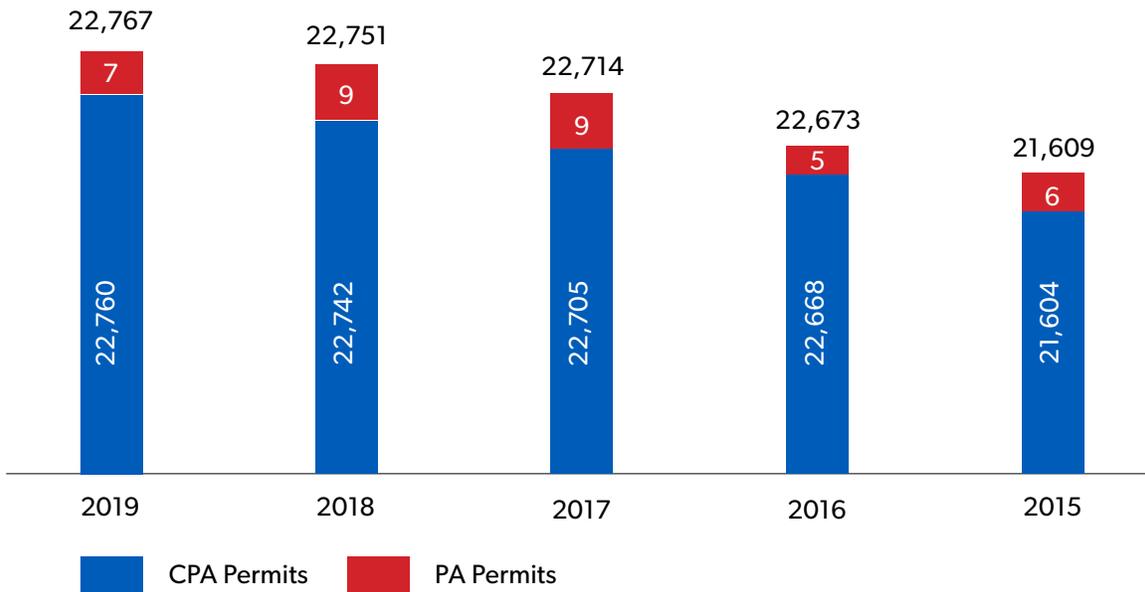
Licenses and Renewal

Year Ended June 30, 2019

Since the Accountancy Board’s inception in 1908, a total of 54,619 CPA certificates have been issued. CPAs who perform audits, reviews, compilations, and attestation engagements must hold a permit. CPAs who perform tax services, personal financial planning services, and/or consulting services and use the CPA designation must hold a permit. CPAs who do not perform those services may hold a permit or a registration. Ohio permit holders must have 120 credits of continuing professional education, with a minimum of 20 hours per year, in the three-year period covered by the license. Ohio permit holders use the designation “CPA.” Ohio registration holders do not have CPE requirements and may use the designation “CPA Inactive.”

Between 1959 and 1993, a total of 6,842 Public Accountant (PA) registrations were issued. Currently there are 61 registered PAs. The Board no longer registers new public accountants.

Total Active Ohio Permits



Total Licenses Renewed—Permits & Registrations									
Year Ended June 30	Permit 1-year	Permit 2-year	Permit 3-year	Total Permits	Reg 1-year	Reg 2-year	Reg 3-year	Total Reg	Grand Total
2019	33	849	7,207	8,089	31	56	2,867	2,954	11,043
2018	60	827	6,922	7,805	44	72	2,622	2,738	10,543
2017	36	944	7,303	8,283	19	47	2,668	2,734	11,017
2016	55	914	7,210	8,179	17	49	2,825	2,891	11,070
2015	44	979	6,833	7,856	21	54	2,758	2,833	10,689

Permit holders may sign “CPA.”

Registration holders may sign only “CPA inactive.”

1-year, 2-year, 3-year represents the number of years for which the permit or registration is issued.

Firm Registration and Peer Review

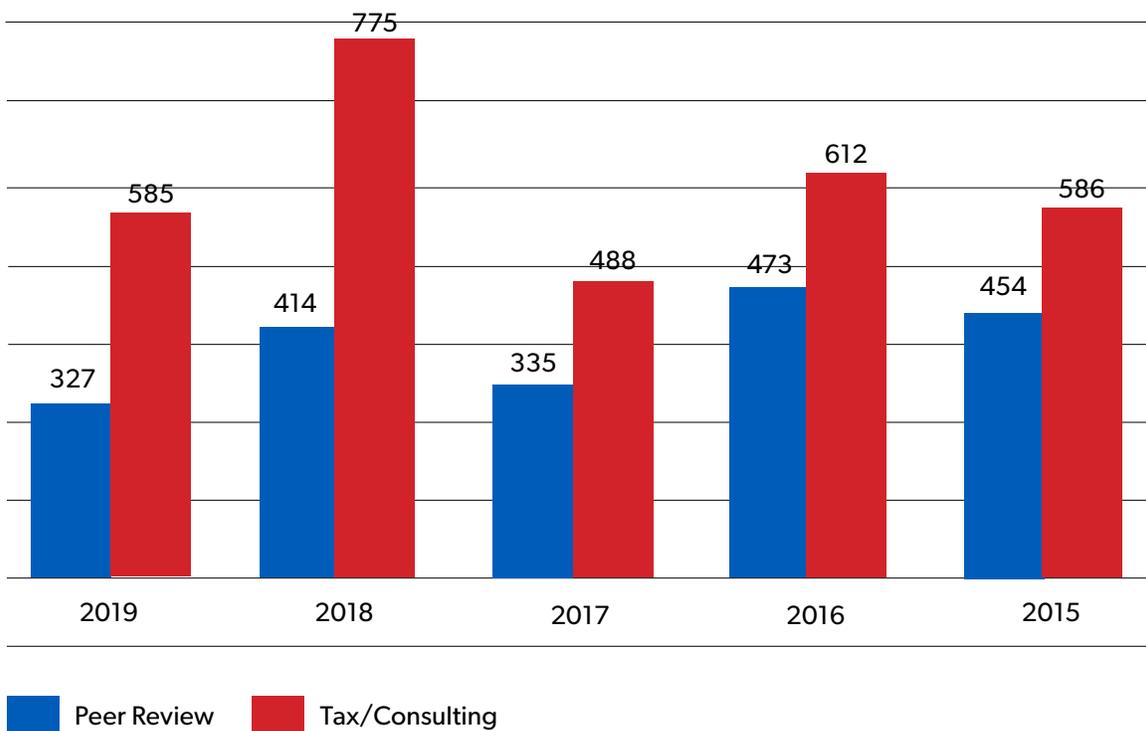
The State of Ohio requires all public accounting firms practicing in Ohio to register with the Board. In addition, firms that perform financial reporting services (attest firms) are required to undergo a comprehensive peer review every three years. The peer review program is designed to assess the quality of the firm's work, its professional staff, and its overall performance in the delivery of services to its clients. Proof of successful completion of a peer review is required before an attest firm can renew its firm registration.



The Ohio Society of Certified Public Accountants (OSCPA) is the Board's agent for the peer review program and administers the peer review process. The Board and the OSCP A work together to assure that the objectives of the peer review program are achieved.

Firm Registrations by Fiscal Year

Year Ended June 30



Accountancy Board of Ohio

Statement of Revenues and Expenditures

Fiscal Year Ended June 30, 2019

	2019	2018
REVENUE		
Operational Fees		
Individual License Fees	1,641,376	1,276,545
Firm License Fees	27,070	82,898
Certification Fees	29,675	27,740
Total Operational Fees	\$ 1,698,121	\$ 1,387,183
OTHER FEES		
Individual Late Fees	161,252	137,375
Firm Late Fees	25,940	25,890
Disciplinary Fees & Fines	19,851	15,100
Miscellaneous Income	15	1,778
Total Other Fees	\$ 207,058	\$ 180,143
Total Revenue	\$ 1,905,179	\$ 1,567,326
OFFICE EXPENDITURES		
Payroll	812,059	822,794
Building Rent	74,065	68,828
Central Service Agency	25,523	23,154
Online Renewal Fees	No Longer Applicable	6,520
NASBA Dues and Travel	6,600	6,600
State IT Services	81,863	21,524
State Mail Service	5,464	8,959
Telecommunications	4,483	4,896
State Auditor Fees	680	10,341
Board Travel Expense	19,905	22,285
Office Supplies	8,376	8,889
Investigator Travel	1,725	0
New Computer Equipment	0	0
Other Expenses	38,623	27,492
Total Office Expenditures	\$ 1,079,366	\$ 1,030,560
Educational Assistance	465,202	425,000
Total Expenditures	\$ 1,544,568	\$ 1,429,911
Excess of Revenue Over Expenditures	360,611	137,415

Board Activities

During fiscal year 2019, there were seven Board meetings, which included an annual meeting and a retreat. NASBA activities, the budget, investigations and education assistance funds are reviewed at every meeting. During the year the Board held 16 disciplinary hearings and seven reinstatement hearings (see table on page 18).

July 20, 2018. The board held a meeting of the executive committee and finance and audit committee, and two disciplinary hearings and one reinstatement hearing were held.

September 7, 2018. The meeting was held at the University of Akron. NASBA Executive Vice President and COO, Colleen Conrad presented information about changes to the CPA examination and testing statistics. Three disciplinary hearings were held.



October 19, 2018. Students and instructors from local colleges were invited to attend the board's annual meeting this day. Patricia Hartman, Director of Client Services, NASBA, presented information about expectations in preparing for and taking the CPA Exam. The nominating committee recommended a slate of officers for the 2018-2019 board term. The board unanimously approved the nominating committee's recommendations and elected Michael Guinigundo as Chair, Maggie Gilmore as Vice Chair and Kenya Watts as Secretary. Three disciplinary hearings and two reinstatement hearings were held.

December 3, 2018. At the board retreat, Robert Fay of the Ohio CPA Foundation spoke on behalf of the Accounting Careers Awareness Program, and thanked the board for their continued support. Mr. Patterson discussed the Education Assistance budget and updated the members on the recent upgrade to a new licensing platform. The board discussed upcoming rule revisions and approved the meeting dates for 2019.

December 4, 2018. Ken Bishop, NASBA President & CEO and Janice Gray, NASBA's Chair for 2018-19, were in attendance to thank the board for their hospitality and for its involvement with NASBA. Two disciplinary hearings were held.

February 8, 2019. The board held a meeting of the executive committee, and discussed the upcoming budget. Three disciplinary hearings and one reinstatement hearing were held.

April 26, 2019. The peer review oversight committee met, joined by Laura Hay of the OSCPA to discuss the peer review process. Draft rule changes were finalized. One disciplinary hearing and two reinstatement hearings were held.

June 7, 2019. The Board discussed responses to proposed rule changes and meetings of the disciplinary advisory and executive committees were held. Two disciplinary hearings and one reinstatement hearing were held.



Investigations Summary

The Board has two full-time investigators who examine complaints about unlicensed practice and firm registration. During the year, the investigators made 34 field calls.

At the beginning of the fiscal year, there were 53 open cases from the prior fiscal year, none involving litigation. During the year 156 cases were opened, 188 closed and 27 remain open.



Board Hearing Summary

Board Meeting			Type of Disciplinary Hearing						Board Sanctions		
Date	D. Hearings	R. Hearings	Firm	CPE	Complaint	Other	Referral	Court	CPA-Rev.	Firm Rev.	Fine
Jul 2018	2	1	1	1					1	1	1
Sep 2018	3	0	2	1					2	2	2
Oct 2018	3	2	2	1					3	2	2
Dec 2018	2	0		1			1		2	1	1
Feb 2019	3	1		1			1	1	3		
Apr 2019	1	2					1		1		
Jun 2019	2	1	1	1					2	1	1
Totals	16	7	6	6			3	1	14	7	7

D. Hearings: Disciplinary hearings

R. Hearings: Reinstatement hearings

Firm: Firm registration/peer review violation

CPE: Continuing education verification violation

Complaint: Hearing as a result of a consumer complaint

Other: Hearing as a result of an accountancy law violation other than firm, CPE, or complaint

Referral: Referral from SEC, IRS, other state agency, etc., for violation

Court: Court conviction(s)

CPA-Rev: CPA certificate revoked

Firm-Rev: firm registration revoked

Fine: Board-assessed fine

NOTE: Sanctions may total more than the total disciplinary hearings due to a CPA certificate and firm registration being revoked.



ACCOUNTANCY BOARD OF OHIO

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