

Accountancy Board of Ohio  
Minutes of Board Meeting July 19, 2019

The Accountancy Board of Ohio (Board) met on July 19, 2019 in the North Room, 31<sup>st</sup> floor of the Riffe Center, Columbus, with the following members present: Michael Guinigundo, CPA (Chair), Kenya Watts, CPA (Secretary), James Gottfried, CPA (Immediate Past Chair), John Soucie, CPA (Member), Gerald Weinstein, CPA (Member), Scott Blake (Public Member), and Brendan Fitzgerald, CPA (Member). Margaret Gilmore, CPA (Vice-Chair) was absent.

Representing the Board staff was John E. Patterson, Executive Director; Tracey F. Fithen, Assistant Executive Director; and Donna M. Oklok, Investigations Supervisor. Board counsel present was Jahan S. Karamali, Esq., representing the office of the Ohio Attorney General.

Present in the audience was Barbara Benton, Vice President of Governmental Affairs, and Laura Hay, Executive Vice President of the Ohio Society of Certified Public Accountants (OSCPA). David Dennis, CPA was also present.

Mr. Guinigundo called the meeting to order at 9:59 a.m., and opened the meeting with the Pledge of Allegiance. Mr. Guinigundo also welcomed the guests in the audience.

**FORMAL HEARING: WILLIAM D. LEICHT / WILLIAM D. LEICHT & ASSOCIATES**

Mr. Guinigundo opened a disciplinary hearing at 10:03 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Leicht with a violation of section 4701.16(A)(4) of the Revised Code, concerning violation of a rule of professional conduct promulgated by the board under the authority granted by this chapter; specifically, 4701-9-03, generally accepted auditing standards; and 4701-11-09(8), failure to follow specialized engagement requirements. Mr. Leicht was in attendance and was represented by Wade W. Smith, Jr., attorney at law.

Ms. Karamali gave an opening statement, followed by Mr. Smith's opening statement. Ms. Karamali called Ms. Faith Ottavi, Board Investigator to testify to the facts of the case, and Mr. Leicht gave a statement. Ms. Karamali introduced State's Exhibit(s) A, 1 through 9; and B, 1 through 6, which were admitted without objection. Mr. Leicht then was questioned by the Board.

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

**QUASI-JUDICIAL DELIBERATIONS**

Upon Mr. Guinigundo's direction, the Board went into quasi-judicial deliberations to discuss the formal hearing. After discussion, the Board returned to general session.

**BOARD DECISIONS**

**William D. Leicht, CPA / William D. Leicht & Associates (Case #2018-3055)**

Upon the motion by Ms. Watts, and seconded by Mr. Weinstein, the Board voted to revoke the CPA certificate of Mr. Leicht, but stay the revocation subject to completion of the following conditions:

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- (1) Payment of a fine of \$1,000 by September 30, 2019;
- (2) Neither Mr. Leicht nor the firm may perform or offer to perform any audits subject to review by the U.S. Department of Labor, or any employee benefit plan audits without prior board approval.

Motion carried 8-0 on a roll call vote.

### **REQUEST FOR RECONSIDERATION**

Mr. Patterson discussed the closed case review of John Zappitelli, CPA and Zappitelli Financial Services, submitted by Ross Federico. The Board voted 8-0 to take no action.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Patterson discussed the recent NASBA regional meeting regarding a proposed experience requirement prior to performing audit engagements. The Board discussed the aim of this experience requirement and its implications for the profession and practitioners, as well as the public.

### **INFORMATION REPORTS AND UPDATES**

#### **Investigations Report**

#### **Rules Update**

#### **Approval of June 7, 2019 Board Meeting Minutes**

Upon motion by Mr. Gottfried and seconded by Mr. Blake, the Board voted 8-0 to approve the minutes of the June 7, 2019 Board meeting.

### **OLD BUSINESS**

#### **Status of Past Hearings**

Ms. Karamali reported there are no new or pending legal issues before the Board.

### **NEW BUSINESS**

Mr. Gottfried opened a discussion on board action regarding firms whose most recent peer review is rated as fail or pass with deficiencies by the OSCP/AICPA, and implementing a process where the Board's peer review oversight committee meets with the firm to discuss the deficient review and the firm's plan of remedial action. The Board discussed the need to address deficient peer review outcomes prior to licensing or other regulatory compliance issues, and the best manner in which to interface with the firm. Laura Hay of the OSCP stated that as the administering entity, the OSCP would welcome additional Board intervention early in the remedial action process, and would

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assist in the process of identifying firms who would meet the criteria for the oversight process at the Board level.

**CHAIR'S REPORT**

**Finance and Audit Committee**

Mr. Guinigundo opened a meeting of the Finance and Audit Committee at 11:33 a.m. to discuss matters before it. The members of the committee in attendance were Jim Gottfried and Scott Blake. Ms. Fithen reported on the budget for the 2020-2021 biennium. She also reported that the Board will no longer accept American Express as a form of payment due to the fees charged. Additionally, the committee discussed a move from a fixed December 31 expiration date to a renewal date based on the licensee's birthdate. Ms. Fithen noted there are statutory and rule changes necessary to change the renewal date, and the impact to budget allocations may also be affected. She stated that these issues will be addressed as the process proceeds.

The committee concluded its meeting at 11:41 a.m.

**Education Assistance Committee**

Ms. Watts opened a meeting of the Education Assistance Committee at 11:41 a.m. to discuss matters before it. The members of the committee in attendance were Kenya Watts, Chair; Scott Blake; and Gerald Weinstein. Ms. Watts discussed with the committee how best to address education assistance fund recipients who failed to sit for the CPA Exam, which is a condition agreed to by the recipients. The committee agreed a letter needs to be sent to these recipients, reminding them of the requirement to sit, or they will be required to repay the amount received; and those who fail to either sit for the exam or repay the money may need to be referred to collections via the Attorney General's office. The committee also discussed the creation of a letter to be sent to recipients in their final semester, reminding them of the requirement to sit for the CPA exam within two years.

The committee concluded its meeting at 11:58 a.m.

**SUMMARY OF BOARD REQUESTS**

Mr. Patterson listed the Board's requests for creation of a means to notify those who received education assistance fund monies of the requirement to sit for the CPA Exam; and to create a letter to be sent to scholarship recipients during their 5<sup>th</sup> year to remind them of the requirement to sit for the exam. Staff also will review its rules related to remedial action regarding failed peer reviews and further explore the possibility of rule changes regarding peer review and specialty audit requirements.

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**ADJOURNMENT**

Upon motion by Mr. Weinstein and seconded by Mr. Gottfried, the Board voted to adjourn.

Motion carried 8-0.

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**MICHAEL M. GUINIGUNDO, CHAIR**

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**KENYA Y. WATTS, SECRETARY**