

Connecticut State Board of Accountancy
March 6, 2007
Minutes

Chairman Reynolds called the meeting to order at 8:33 A.M. in the second floor conference room, 30 Trinity Street, Hartford, Connecticut.

Present:

Thomas F. Reynolds, CPA, Chairman
Richard P. Bond
Philip J. DeCaprio Jr., CPA
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA
Richard L. Sturdevant
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Esquire, Board Counsel
Angel D. Acevedo, Office Assistant

Absent: James S. Ciarcia

Motion made by Michael Weinshel and seconded by Philip J. DeCaprio to accept and approve the Minutes of the February 6, 2007 State Board of Accountancy meeting.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinshel

Richard H. Gesseck arrived at the meeting after the vote.

In a review of Board operations Executive Director Guay briefed the Board on the operations of the Board by providing a written summary.

March 6, 2007 Executive Director's Operations Update and Review

Licensing Database

- Jamie Gamble has made significant progress – Demonstration update at March 6, 2007 meeting

2007 Renewal & 2006 CPE Reporting

- Applicants with CPE issues are still being processed
 - Telephone calls to Licensees to clear up some reporting errors
 - Notifications by mail of recalculation of totals
 - Notifications by mail of missing attachment or failure to report
 - Notification by mail of possible violations based upon reported CPE
 - Preparation for audit of selected reports – expect to do 50
- Second notice
 - Mailed March 1, 2007 with a March 14, 2007 deadline
 - Firms – 107
 - Licenses – 254
 - Registrations - 201

Business continuity & pandemic planning

- Continuing to create the Gubernatorial directed plan and attend the mandatory meetings
- Participated in all day statewide simulation on February 27, 2007
- Would like to schedule presentation to Board on this effort after tax season

Returning to Regulation Project and Effort

- Need to complete research and draft suggestion for experience
- Held a meeting with Internal Auditor for the Hartford about the nature of non-public experience
- Need to continue monthly review in conjunction with CSCPA Study

Returning to Records Retention Effort

- Enforcement Records – planning what to do next
- CPA Exam Grade cards, continuing with scanning
- Download from NASBA of grades to be planned and accomplished

Next Certificate Ceremony

- Expected in May 2007 covering January – May Certificates
- January's Certificates are at the calligrapher
- Issuing bid requests for the calligrapher contract through OPM

100th Anniversary of the State Board – June – August 2007

- Possible special ceremony at the July or August meeting
 - Press invite – suggested story
 - Governor asked to attend and address the Board
 - Proclamation

2007 Legislative Session

- Budget testimony written and submitted
- Public Hearing held CSCPA proposal February 22, 2007 – Dick Sturdevant testified on behalf of the Board
- Issue of the Exam Fee will be added to the CSCPA proposal according to legislative sources

Peer Review

- Data files updated in renewal process
- Significant backlog of reports to process
- Regulations need to be updated

Website

- Reviewing the other State Board sites for ideas
- Commencing upgrade effort upon conclusion of renewal cycle

September 11, 2007 Board Meeting Date

- Board member has a problem with the current date
- Suggested changes
 - September 5, 6, or 7th

Chairman Reynolds is unable to make the scheduled September 11, 2007 Board Meeting due to scheduling conflicts; All Board members agreed to reschedule it for Wednesday September 5, 2007.

Motion made by Philip J. DeCaprio and seconded by Leonard M. Romaniello to approve the March 6, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Richard H. Gesseck
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinschel

By consensus the Board tabled the application of Sotherland & Associates for a firm permit to practice, due to concern that the firm name may be misleading.

Motion made by Philip J. DeCaprio and seconded by Leonard M. Romaniello to approve the March 6, 2007 list of Firm Permit to Practice applications.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Richard H. Gesseck
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinschel

No abstentions and no votes against.

Chairman Reynolds noted that the agenda continues to lists inspection reports received from the Public Companies Accounting Oversight Board (PCAOB) and are available for Board member inspection and review.

Chairman Reynolds noted that the agenda continues to list Test center Problem Reports. Board members reviewed the report covering the period of February 1, 2007 through February 28, 2007.

Chairman Reynolds requested to be kept informed as to future Test Center issues, specifically the Norwalk site because there seems to be lot of issues coming with this facility. The Chairman expressed interest in planning an on site visit to the Norwalk facility.

The Board entertained a request from CPA Exam Candidate Melissa Wooten requesting an extension to the six month window in which to schedule an exam once deemed qualified. Ms. Wooten applied to take the exam and was scheduled to take the Regulation portion of the exam on Monday, February 26, 2007 at the testing site in Glastonbury. As Ms. Wooten's email request explains, she did not test because she assumed the testing center was closed due to inclement weather, when in fact the center was open.

Motion made by Phillip J. DeCaprio and seconded by Richard P. Bond to approve the request by CPA Exam Candidate Melissa Wooten for an extension of her Notice to Schedule for another six months.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Richard H. Gesseck
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinschel

No abstentions and no votes against.

The Board received a presentation from Jamie Gamble on the on-line renewal project and the progress made so far.

Overall the Board Members were very excited about the progress Jamie has made with the online system; this system will be able to make the renewal process quicker, and Board employees will be able to react to issues that arise in a quicker fashion.

Executive Director Guay and Attorney Adams reviewed for the Board the Legislative progress so far on the Society's Education proposal SB 1141 and progress on the Board's Exam Fee technical correction.

Motion made by Richard P. Bond and seconded by Leonard M. Romaniello to approve the draft NASBA Focus Question Responses for the first quarter of 2007.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Richard H. Gesseck
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinschel

No abstentions and no votes against.

REGIONAL DIRECTORS' FOCUS QUESTIONS

*The input received from our focus questions is reviewed by all members of NASBA's Board of Directors, committee chairs and executive staff and used to guide their actions. We encourage you to place the following questions early on the agenda of your next board meeting to allow for sufficient time for discussion. **Please send your board's responses to your Regional Director by April 9, 2007.** Use additional sheets for your responses if needed.*

JURISDICTION Connecticut DATE March 6, 2007
NAME OF PERSON SUBMITTING FORM David Guay

1. (a) What legislative issues are currently being addressed by your board? (b) How could NASBA assist you in these areas?

A change to 120 semester hours to sit for the exam and 150 semester hours for certification.

c) [The educational requirement for a certificate must be met before an applicant is eligible to apply for the examination.] An applicant may apply to take the examination if such person holds a baccalaureate degree, or its equivalent, conferred by a college or university acceptable to the board, with an accounting concentration or equivalent, as determined by the board by regulation to be appropriate. The educational requirements for a certificate shall be prescribed in regulations to be adopted by the board as follows:

(1) Until December 31, 1999, a baccalaureate degree or its equivalent conferred by a college or university acceptable to the board, with an accounting concentration or equivalent as determined by the board by regulation to be appropriate;

(2) After January 1, 2000, at least one hundred fifty semester hours of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the board. The total educational program shall include an accounting concentration or equivalent, as determined by the board by regulation to be appropriate.

A change to eliminate the Extra State \$100 fee for applying for the CPA Exam

Subsection (d) of Section 20-281c of the Connecticut General Statutes is repealed and the following is substituted in lieu thereof

(d) The board may charge each applicant a fee to submit a Board application to take the examination, in an amount prescribed by the Board by regulation, [or] and may provide for a third party administering the examination to charge each applicant a fee [in an amount prescribed by the board by regulation,] for each section of the examination or reexamination taken by the applicant.

Subsection (d) of Section 20-281c of the Connecticut General Statutes is repealed and the following is substituted in lieu thereof

(d) The board may charge, [or] and may provide for a third party administering the examination to charge each applicant a fee [in an amount prescribed by the board by regulation,] for each section of the examination or reexamination taken by the applicant.

2. (a) Does your board have a mandatory swearing-in for new CPAs? (b) If so, how is it conducted?

Connecticut does not have a mandatory swearing in, but has a swearing in by tradition. In the past the Secretary of the State has performed the swearing in.

3. (a) Does your board allow or regulate the use of specialty designations? (b) If so, please indicate which specialties and if your statute identifies their applicable standards.

The Board allows, but without specific statutory authority or prohibition.

4. What is happening in your jurisdiction that is important for other state boards and NASBA to know?

Connecticut's Board is celebrating its 100 Anniversary this year.

5. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- Input only from Board Chair
- Input only from Executive Director
- Input only from Board Chair and Executive Director
- Input from all Board Members and Executive Director
- Input from some Board Members and Executive Director

___ Input from all Board Members
___ Input from some Board Members
Other (please explain):

January 25, 2007

-March 06, 2007 Enforcement:

A. REQUESTING COMPLIANCE MEETING AUTHORITY

2004007-2524 Roger Bennet - falsification of information on employment tax returns

Attorney Adams requested Compliance Meeting authorization

2005042-2860 Gary Bennet - SEC suspension from serving as an officer/director

Attorney Adams requested Compliance Meeting authorization

2005060-2879 Glen Belush - IRS Suspension for failure to file tax returns

Attorney Adams requested Compliance Meeting authorization

2005060-2879 Glen Belush – negligence in audit services

Attorney Adams requested Compliance Meeting authorization

2005018-2823 Daniel Kaufman – negligence in oversight of tax and bookkeeping services

Attorney Adams requested Compliance Meeting authorization

Motion made by Richard P. Bond seconded by Philip J. DeCaprio to approve compliance meetings in the matters of 2004007-2524 Roger Bennet, 2005042-2860 Gary Bennet, 2005060-2879 Glen Belush, 2005060-2879 Glen Belush, 2005018-2823 Daniel Kaufman.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Richard H. Gesseck
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinschel

No abstentions and no votes against.

B. REQUESTING COMPLIANCE MEETING AND SUBPOENA AUTHORITY

Counsel requesting Board issue subpoenas in these matters for all materials on which the individuals may have used the title CPA and any documents issued under the title CPA.

2005024-2834 Russel Robbins –unauthorized practice and use of title

Requesting Compliance Meeting authorization and Requesting Subpoena authority

2004049 Russell Carlson unauthorized practice and use of title

Requesting Compliance Meeting authorization and Requesting Subpoena authority

2004132-2662 David Albert unauthorized practice and use of title

Requesting Compliance Meeting authorization and Requesting Subpoena authority

20041341-2664 Kristen Addabbo unauthorized practice and use of title

Requesting Compliance Meeting authorization and Requesting Subpoena authority

Motion made by Michael Weinshel seconded by Philip J. DeCaprio to approve compliance meetings and subpoena authority in the matters of 2005024-2834 Russel Robbins, 2004049 Russell Carlson, 2004132-2662 David Albert, and 20041341-2664 Kristen Addabbo.

Voting in favor:

Thomas F. Reynolds
Richard P. Bond
Philip J. DeCaprio
Richard H. Gesseck
Leonard M. Romaniello
Richard L. Sturdevant
Michael Weinshel

No abstentions and no votes against.

C. KPMG REVIEW, UPDATE, AND RECOMMENDATIONS

1. XEROX – Settlement Recommendations for the firm

2. Tax Shelters - Settlement Recommendations

Under public comment

Arthur Renner, Executive Director of the Connecticut Society of CPA's introduced John Palmeri, President Elect of the Society and commented about the next

issue on the horizon, which is CPA mobility and substantial equivalency. Mr. Renner also spoke about the proposed legislation to change the education requirement to sit for the CPA Exam and its process in the legislature.

A motion to adjourn the meeting was moved by Richard L. Sturdevant and seconded by Richard P. Bond, all voted in favor. The meeting was adjourned at 10:22 A.M.