

Connecticut State Board of Accountancy  
May 29, 2007  
Minutes

Chairman Reynolds called the meeting to order at 8:49 A.M. in the conference room, Cyrenius H. Booth Library, 25 Main St. Newtown, Connecticut.

Present:

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

Staff Members Present:

David L. Guay, Executive Director  
Rebecca E. Adams, Esquire, Board Counsel

Motion made by Michael Weinschel and seconded by Richard Bond to accept and approve the Minutes of the May 1, 2007 State Board of Accountancy meeting.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

Philip J. DeCaprio and Richard H. Gesseck were not in attendance at the time and did not vote.

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

**May 29, 2007 Executive Director's Operations Update and Review**

**Licensing Database**

- Highest priority special project (Other business always in the way)
- Continuing testing, slow deliberate work being performed between picking up licensing slack
- Still waiting to test updates to licensing back end

**Peer Review**

- Data files updated in renewal process
- backlog of reports received based upon our inquiries has been cleared

**Website**

- Have begun upgrade effort – temporarily back burner until online testing complete
  - New front page
  - Updated meeting dates page
  - Interim reciprocity page posted

**Business continuity & pandemic planning**

- Placed on the back burner for the moment

**Regulation Project and Effort**

- On back burner while I review the online system, I still need to complete research and draft suggestion for experience
- Need to continue monthly review in conjunction with CSCPA Study
- PA Regulation at the Attorney General's office for formal approval
- Emergency Regulations approved by Legislature

**Records Retention Effort**

- Enforcement Records – have begun review and prep for disposal
- CPA Exam Grade cards, continuing with scanning
- Planning for scanning of minutes with originals to the State Archives
- Purchase of individual printers with scanners for electronic document retention completed
- Download from NASBA of grades still needs to be planned and accomplished
- Designing electronic records retention policy and procedures

**Next Certificate Ceremony**

- May 16, 2007 - Thank you to the Connecticut Society of CPAs

Motion made by Jim Ciarcia and seconded by Leonard Romaniello to approve the May 29, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

Philip J. DeCaprio was not in attendance at the time and did not vote.

The application of Netsai J. Zvovushe remained on the table from the May 1, 2007 meeting.

Motion made by Richard Sturdevant and seconded by Michael Weinschel to approve the May 29, 2007 list of Firm Permit to Practice applications.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

Philip J. DeCaprio was not in attendance at the time and did not vote.

Chairman Reynolds noted that two new PCAOB reports had been received in the office since the last meeting; the May 2, 2007 Report on Inspection of Ernst & Young LLP and the May 18, 2007 Report on Inspection of BDO Seidman, LLP

The Board reviewed the Test Center Problem Report – April 1 – May 23, 2007. The Board agreed to review the test center problem reports with David Costello, President of the National Association of State Board's of Accountancy at a scheduled meeting with him on June 7, 2007 in Williamsburg, Virginia. The Board further requested that Executive Director Guay obtain the statistics on the number of test candidates at the Connecticut testing sites.

Executive Director Guay and Attorney Adams discussed the status of the Board's Legislation effort to adjust the fee language for the CPA Exam. Attorney Adams reported success in seeking support to add the language as an amendment to another bill.

The Board reviewed the request of James S. Hellman for an extension or waiver of the July 1, 2006 – June 30, 2007 CPE requirement. Leonard Romaniello made a motion seconded by James Ciarcia to grant Mr. Hellman an extension to July 31, 2007.

Voting in favor:

Thomas F. Reynolds  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Michael Weinschel

Voting against:

Richard L. Sturdevant

Abstentions:

Richard P. Bond

The Board reviewed a request from CPA Exam Candidate Rita Parmar for extension of the conditional credit earned for the FAR section of the exam past the May 31, 2007 expiration date. James Ciarcia made a motion seconded by Richard Gesseck to grant Ms. Parmar an extension to August 31, 2007.

Voting in favor:

Thomas F. Reynolds  
James S. Ciarcia  
Philip J. DeCaprio  
Richard H. Gesseck  
Leonard M. Romaniello  
Richard L. Sturdevant

Voting against:

Michael Weinschel

Abstentions:

Richard P. Bond

Chairman Reynolds noted the upcoming NASBA Regional Meeting – June 6, 2007 – June 8, 2007, Williamsburg, VA and asked the Board to create a list of topics for the Board member's attending the scheduled meeting on June 7, 2007 with David Costello, President of the National Association of State Boards of Accountancy.

The Board created the following list by consensus:

- Test Center Problem reports
- Substantial Equivalency
- 24 months vs. 18 months for conditional passing credit for parts of the CPA Exam
- The current schedule of the CPA Exam
- Better statistical analysis of the exam

- Cost of the Exam
- Prometric and Institute Accountability
- Licensing or registering tax preparers

Chairman Reynolds noted that the review of the CSCPAs review of Connecticut's Accountancy Statutes and Regulations remains on the Agenda.

The Board by consensus recessed at 10:00 A.M.

The Board was called back to order by Chairman Reynolds at 10:20 A.M.

Chairman Reynolds directed the members to the section of the agenda on Strategic Planning and Discussion.

Chairman Reynolds opened discussion on the issue of licensing tax preparers by asking Richard Sturdevant to begin as the originator of the agenda item. Mr. Sturdevant suggested that tax preparers should be licensed or registered in the State of Connecticut. Discussion held concerning the need for registration and the ramifications of licensing and registration. Consensus reached that the Board's current infrastructure could not support such an effort. The Board by consensus suggested a meeting be set up with all relevant stake holders after the current legislative session ends and for staff to continue to research the issue.

Chairman Reynolds turned to Executive Director Guay for comments about the Board Budget under strategic planning and discussion. Executive Director Guay indicated that he had hoped to provide a model Board budget for discussion but was unable to be ready in time for the meeting.

Next on the Agenda, the Board held a discussion about the Board's 100<sup>th</sup> Anniversary and possible rescheduling of the August meeting. At this point Executive Director Guay needs to determine a date certain for the Anniversary. Discussion was held concerning the possible composition of a 100<sup>th</sup> Anniversary celebration, with planning and discussion to continue at a later date.

The Board by consensus recessed at 12:00 Noon for Lunch.

The Board was called back to order by Chairman Reynolds at 1:00 P.M.

Chairman Reynolds began the discussion on the substantial equivalency agenda item by agreeing with Richard Gesseck that it should be a discussion about mobility with substantial equivalency as part of that discussion. The Board discussed what the issue of mobility is about, why the need to act now, who is involved, options and possible solutions.

Chairman Reynolds summarized the discussion by stating he sensed that there is a general consensus from the Board to embrace mobility, not pure mobility, but within the context of some sort of notification or registration, as outlined in

Section 23 of the Uniform Accountancy Act, which also embraces the concept of substantial equivalency.

Chairman Reynolds noted the Interstate compact item on the Agenda was discussed already under the substantial equivalency agenda item. Moving on to International Reciprocity Chairman Reynolds asked Executive Director Guay to comment. Executive Director Guay indicated that he asked for this item on the agenda because it dovetails into the mobility discussion. Executive Director Guay argued that if the Board were to approach the Legislature about mobility it should also approach the Legislature about international reciprocity at the same time by utilization of the International qualifying exam currently available. After discussion the Board directed Executive Director Guay to provide further research and information.

At this point, after a call from Chairman Reynolds for discussion on any other long range – strategic issues, Attorney Adams raised the need for additional staff, such as a staff investigator, in the enforcement area, especially as the Board proceeds to handle more enforcement matters. Chairman Reynolds requested that Attorney Adams produce an analysis of why it is necessary to create and pursue a new position.

Chairman Reynolds invited others present to raise any long range – strategic issues. Arthur Renner, Executive Director of the Connecticut Society of CPA's asked about the Regulation project on Experience. Executive Director Guay indicated he is still working on it.

Board member James Ciarcia suggested the possibility of holding one or several Board meetings at a Connecticut College or University.

Chairman Reynolds under other business raised with the other members the issue of membership on the Board, and a recent communication from the Governor's office concerning each members desire to be on the Board. Two members, Philip DeCaprio and Richard Sturdevant indicated that they had not received the communication. It was determined that Mr. DeCaprio and Mr. Sturdevant had moved since being appointed originally.

John Palmeri, President of the Connecticut Society of CPA's spoke to the Board about Senate Bill 7338, currently in the Legislature. The Bill will provide for the Comptroller to determine what is GAAP for the State of Connecticut. The Society is opposed to the Bill.

The Board by consensus recessed at 2:00 P.M.

The Board was called back to order by Chairman Reynolds at 2:10 P.M.

Richard Bond made a motion to go into Executive Session at 2:20 P.M. to discuss pending enforcement matters, seconded by Leonard Romaniello.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio  
Leonard M. Romaniello  
Richard L. Sturdevant  
Michael Weinschel

-No votes against and no abstentions.

Richard H. Gesseck was not in attendance at the time and did not vote.

Richard Bond made a motion to leave Executive Session and return to the Regular Session at 3:10 P.M., seconded by Leonard Romaniello.

Voting in favor:

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

-No votes against and no abstentions.

A motion to adjourn the meeting was made by Richard Bond and seconded by Richard Sturdevant, all voted in favor. The meeting was adjourned at 3:11 P.M.