

Connecticut State Board of Accountancy
June 3, 2008
Minutes

Chairman Reynolds called the meeting to order at 8:39 A.M. in the conference room, Cyrenius H. booth Library, 25 Main St., Newtown, CT. 06470

Present:

Thomas F. Reynolds, CPA, Chairman
James S. Ciarcia
Richard P. Bond
Philip J. DeCaprio, Jr., CPA, CrFA, CVA, ABV
Leonard M. Romaniello, Jr., CPA, CITP, MST
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinshel, CPA

Staff Members Present:

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

Absent:

Richard H. Gesseck, CPA

Motion made by Michael Weinshel and seconded by Leonard Romaniello to approve the minutes of the June 3, 2008 State Board of Accountancy meeting; All voted in favor; no votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Richard Bond to approve the June 3, 2008 list of individual applications for CPA Certificate, Registrations and CPA Licenses. All voted in favor; no votes against and no abstentions.

Motion made by Richard Bond and seconded by Richard Sturdevant to approve the June 3, 2008 list of Firm Permit to Practice Applications. All voted in favor; no votes and no abstentions.

The Board by consensus tabled the issue of the work experience of Mr. John Donnelly until George Veily has reviewed the detail of his experience..

The Board discussed the availability of PCAOB reports and discussed methods of making them more assessable to members within the confidentiality guidelines. The Board directed Executive Director Guay to explore posting the reports for review on a secure portion of the web site.

Executive Director Guay gave the Board an updated report on the proposed regulation Attorney Adams has pending:

- CPA Exam Fee.

Under Public Comment:

Arthur Renner, Executive Director of the Connecticut Society of Certified Public Accountants reported on special committee work of the Connecticut Society of Certified Public Accountants and proposed a revision of the Connecticut experience requirement based upon the Rhode Island model.

Motion made by Michael Weinshel and seconded by Philip DeCaprio to have staff draft new experience requirement regulations based upon the Connecticut Society's proposal, with the addition of changing the CPE Regulations to include the reporting of 16 hours of Accounting & Auditing CPE annually for those working on attest engagements. All voted in favor, no votes against and no abstentions.

Chairman Reynolds called for a recess at 10:26 A.M.

Chairman Reynolds called the meeting back to order at 10:47 A.M.

PUBLIC SESSION
ENFORCEMENT AGENDA
June 3, 2008

A. REQUESTING SETTLEMENT APPROVAL

1. 2007112-3073 Robert Harris - negligence

Mr. Harris told the complainant that he performed the 2005 and 2006 tax work for Mr. Harvey and had filed an extension for the 2006 work. He never forwarded any of the paperwork of records to Mr. Harvey. He has not practiced or used the title CPA. He last held a license in 2002. Mr. Harris did perform the tax work and forward all records to the complainant within a week after intervention by the Board. In addition, he paid interest on the refund at a rate of 7% for the past 6 months.

Pursuant to discussion at the May 2008 meeting, requesting settlement for a Letter of Admonishment

Motion made by Philip DeCaprio and seconded by James Ciarcia to accept attorney Adams' recommendation of settlement for 2007112-3073 Robert Harris. All voted in favor; no votes against and no abstentions.

2. 2007134-3096 Diane Martin – practicing with a registered certificate

Unintentional failure to renew license. Maintained firm permit and registered her certificate but did not renew license for 2007. Also reported and supported over 40 hours of cpe in the non renewed year. Counsel was waiting for the CPE paperwork prior to making a request. ***Requesting settlement approval for licensing fee and missed fee for a total of \$900 (which she paid in February).***

Motion made by Leonard Romaniello and seconded by Philip DeCaprio to accept attorney Adams' recommendation of settlement for 2007134-3096 Diane Martin. Voting in favor, Chairman Reynolds, Richard Bond, James Ciarcia, Philip DeCaprio, Leonard Romaniello, Richard Sturdevant and Martha Triplett; no votes against and Michael Weinshel recused himself.

3. 2008120-3120 Philip Bambara, CPA – failure to undergo and submit QR in 2005 This failure was discovered when they looked into filing the review in 2008. *Request settlement approval for \$750 (\$250 per year) and a review submitted in 2008 covering the period from the previous review period to the present.*

Motion made by James Ciarcia and seconded by Richard Sturdevant to accept attorney Adams' recommendation of settlement for 2008120-3120 Philip Bambara. All voted in favor; no votes against and no abstentions.

4. 2008124-3124 John Cerullo – failure to renew 2008 license on time Mr. Cerullo earned his cpe on time but did not file for renewal until May 2008. *Request settlement approval for \$250 fine*

5. 2008126-3126 Charles Schneider – failure to renew 2008 license on time Mr. Schneider earned his cpe on time but did not file for renewal until May 2008. *Request settlement approval for \$250 fine*

Motion made by Michael Weinshel and seconded by Philip DeCaprio to accept attorney Adams' recommendation of settlement for 2008124-3124 John Cerullo and settlement for 2008126-3126 Charles Schneider. All voted in favor; no votes against and no abstentions.

B. REQUESTING DISMISSAL

2007116-3077 Michael Hassan – *Based upon the discussion at the May 2008 meeting, requesting dismissal – no violation*

2005038 -2855 Robert Stoller – *Request dismissal – no violation*

2006029-2929 Robert Green – *Requesting dismissal – no violation*

2007127-3090 Thomas Daly – *Requesting dismissal without prejudice – no violation/lack of jurisdiction*

2008021-3121 Sikorski – *Requesting dismissal – no violation/informally resolved*

Motion made by Michael Weinshel and seconded by Philip DeCaprio to accept attorney Adams' recommendation of dismissal for:

2007116-3077 Michael Hassan

2005038 -2855 Robert Stoller

2006029-2929 Robert Green

2007127-3090 Thomas Daly

2008021-3121 Sikorski

All voted in favor; no votes against and no abstentions.

Continuing under other business the Board took up the matter of Declaratory Ruling 2008-1.

At its regular meeting on April 1, 2008, the State Board of Accountancy voted to initiate a declaratory ruling in response to a question posed by the City of Bridgeport concerning the ability of its audit firm to perform other non-audit related work on its behalf.

Declaratory Ruling 2008-1 interprets the application of Connecticut General Statutes and Regulations of State Agencies and the AICPA code of conduct regarding independence of auditors to answer the following question:

May the City of Bridgeport hire the same CPA firm it has engaged to conduct the City's municipal audit to perform non-attest services relating solely to the solicitation of bids and selection of a financial software vendor?

Declaratory Ruling 2008-1 provides that the City of Bridgeport may hire the same firm to conduct the municipal audit and provide assistance in selecting a software vendor without compromising independence or violating any applicable statute or regulation.

Motion made by Michael Weinshel and seconded by Richard Sturdevant to adopt Declaratory Ruling 2008-1 as proposed by Attorney Adams. All voted in favor, no votes against and no abstentions.

Attorney Adams and Executive Director Guay walked the Board through the procedures in the administrative hearing process.

Chairman Reynolds called for a recess at 11:50 A.M.

Chairman Reynolds called the meeting back to order at 12:40 P.M.

Under strategic planning and discussion the Board reviewed a question submitted by Richard Gesseck concerning what the Board would do with a Connecticut CPA who issues an opinion on financial statements prepared in accordance with international accounting standards. Attorney Adams was directed to respond to the question.

The Board under strategic planning and discussion reviewed and proposed writing or rewriting the following regulations.

- CPA Exam Fee
- Experience Reg.
- Renewal Reg. (changing the renewal period)
- Meeting & Enforcement Reg.
- Commission & Contingent Fee Reg.
- CPE – (16 Attest Credits requirement) Reg.

- Holding out Reg. – Ask the CSCPA to review and recommend
- QR/Peer Review Reg. – Ask the CSCPA to review and recommend
- Other titles & Firm Names – Ask the CSCPA to review and recommend

Under strategic planning and discussion the Board proposed seeking statutory deletion of the requirement to print a directory and to draft and seeks per-diem payments for Board members and to seek a technical correction to the authority to convert PA's to CPA's. The Board also considered seeking International reciprocity provisions.

The Board under strategic planning and discussion reviewed and proposed better codifying of the CPA Exam and the initial ethics exam.

Under strategic planning and discussion Michael Weinshel made a motion, seconded by Leonard Romaniello to delegate the authority to the Executive Director to approve certification, registration, licensing and permits. All voted in favor, no votes against, and no abstentions.

Under strategic planning and discussion the Board held a lengthy discussion on the Board's budget and the possibility of sending a communication to the Office of Policy and Management.

Chairman Reynolds called for a recess at 3:00 P.M.

Chairman Reynolds called the meeting back to order at 3:09 P.M

Motion made by James Ciarcia and seconded by Richard Bond to move into Executive Session with Executive Director Guay and Attorney Adams for enforcement matters only. All voted in favor, no abstentions and no votes against.

Motion made by Michael Weinshel and seconded by Richard Bond to move out of Executive Session and back into Regular and open Session. All voted in favor, no abstentions and no votes against.

Executive Session **Enforcement Agenda**

Motion made by Michael Weinshel and seconded by Philip DeCaprio to approve a hearing notice and charges and schedule a hearing for:

2661 Beveridge, Jr.

2704 Drotman & Sawkiw

2705 Daniel E. Durkee

2772 George Musgrave

2775 Ramy Peress, CPA

2781 Richards, Witt & Charles

2792 Wright

2803 Bosco

All voted in favor; no abstentions and no votes against.

Motion made by Richard Sturdevant and seconded by James Ciarcia to adjourn. All voted in favor, no votes against and no abstentions. The meeting was adjourned at 3:30 P.M.