

Connecticut State Board of Accountancy
August 5, 2003
Minutes

Chairman Reynolds called the meeting to order at 9:45 A.M. in the second floor conference room in the Office of the Secretary of the State, 30 Trinity St. Hartford CT.

Present :

Thomas F. Reynolds, CPA, Chairman
Richard P. Bond
James Ciarcia
Philip J. DeCaprio Jr., CPA
Leonard M. Romaniello, Jr., CPA
Michael Weinshel, CPA

David L. Guay, Executive Director
Michael T. Kozik, Board Attorney
Diane Ruggia, Board Staff
Stephanie Sheff, Board Staff
Kay Han, Board Intern

A motion to approve the minutes, as amended, of the July 1, 2003 Board meeting was made by Michael Weinshel and seconded by Leonard Romaniello, all voted in favor.

Chairman Reynolds directed the Board to the licensing docket.

Prior to an approval, brief Board discussion of Joan Fallon Callahan's initial certificate application took place.

Motion made by Leonard Romaniello and seconded by Philip DeCaprio to approve the initial certificate applications and the initial and reinstatement applications for registrations and licenses, all voted in favor. The certificates, registrations and licenses approved at the August 5, 2003 meeting are incorporated into these minutes by attachment.

(w/exception of Peter Ellner, Jeffrey Silverberg)

Motion made by Michael Weinshel and seconded by Philip DeCaprio to approve initial and reinstatement applications for firm permits to practice, all voted in favor. The permits approved at the August 5, 2003 meeting are incorporated into these minutes by attachment.

(w/exception of Peter Ellner, Jeffrey Silverberg)

Richard Bond raised a question with regard to the timeline in which the minutes and agendas are sent to the members for review and approval prior to the meeting. Executive Director, David Guay, informed Mr. Bond that his intention for the future is to e-mail the minutes, in an effort to allow Board members more time for review.

Executive Director, David Guay updated the Board with regard to the Continuing Education Reports. David Guay informed the Board that due to the diligent effort of Diane Ruggia, Stephanie Sheff, Kaye Han and Frank Qi, the board has received, processed and filed to date, 80% of the 3505 reports, with 638 (20%) still outstanding. David Guay informed the Board of his intent to send a second and final notice in an effort to obtain the outstanding reports whereby eliminating the possibility of several enforcement cases. Chairman Reynolds commented on the possibility of an action, short of enforcement, to entice CPA's to report on time. Attorney Michael Kozik informed the Board that while enforcement has been necessary and effective in the past, it is becoming increasingly difficult, as time and resources are unavailable.

Richard Bond posed a question with regard to the process of Continuing Professional Education enforcement. David Guay explained to Mr. Bond the process while stating his efforts to avoid enforcement, since it can be a long, drawn out process.

Leonard Romaniello raised a question with regard to the audit process of the Continuing Education reports. Diane Ruggia explained the review process with regards to what is considered acceptable reporting, as well as what and each report is reviewed for. David Guay informed the Board of what have been past concerns and issues with regard to CPE reports. Board Members discussed the ability to gain access of attendance through a cross check of Connecticut Society of Certified Public Accountants' records. David Guay informed the Board that many firms are now providing "in firm" self-study courses, which may not be available through Connecticut Society attendance records. Philip DeCaprio raised the issue that not all firms' employees may be members of the CSCPA, therefore eliminating availability again through Connecticut Society's attendance records.

Board Attorney Michael Kozik presented the following cases on the enforcement docket of August 5, 2003.

Case #456 / 97097

Attorney Kozik requested inactive status. A motion to approve was made by Philip DeCaprio and seconded by Leonard Romaniello, all voted in favor.

Case #514 / 97153

Attorney Kozik requested dismissal, no probable cause. A motion to approve was made by James Ciarcia and seconded by Philip DeCaprio, all voted in favor.

Case #526 / 98009

Attorney Kozik requested dismissal, no probable cause. A motion to approve was made by Philip DeCaprio, and seconded by Leonard Romaniello, all voted in favor.

Case #551 / 98029

Attorney Kozik requested dismissal, no probable cause. A motion to approve was made by Philip DeCaprio, and seconded by Leonard Romaniello, all voted in favor.

Case # 559 / 98037

Attorney Kozik requested settlement approval. A motion to table an approval until October 9, 2003 pending completion of 40 hours of continuing education per settlement agreement was made by Leonard Romaniello and seconded by Philip DeCaprio, all voted in favor.

Case # 625 / 99067

Attorney Kozik requested inactive status. A motion to approve was made by James Ciarcia and seconded by Philip DeCaprio, all voted in favor.

Case # 626 / 99068

Attorney Kozik requested inactive status. A motion to approve was made by James Ciarcia and seconded by Philip DeCaprio, all voted in favor.

Case #2392

Attorney Kozik requested this settlement approval be tabled due to the outstanding settlement agreement. A motion to table approval until the September 3, 2003 meeting, pending receipt of a signed settlement agreement, was made by James Ciarcia and seconded by Michael Weinshel, all voted in favor.

Case # 2403

Attorney Kozik requested dismissal, no probable cause, no violation found. A motion to approve was made by James Ciarcia and seconded by Leonard Romaniello, all voted in favor.

Case # 2416

Pending discussion in this case, it is the decision of the Board that this case be referred to the Office of Policy and Management for further review. No Board action at this time.

Case # 2437

Attorney Kozik requested dismissal, complaint withdrawn by complainant, with a Board decision to notify the Chief States Attorney's Office. A motion to approve was made by James Ciarcia and seconded by Leonard Romaniello. Philip DeCaprio abstained, all voted in favor.

Case #2438

Attorney Kozik requested settlement approval. A motion to approve was made by Philip DeCaprio and seconded by Leonard Romaniello, all voted in favor.

Case # 2444

Attorney Kozik requested settlement approval. A motion to approve was made by Michael Weinshel and seconded by Philip DeCaprio, all voted in favor.

Case # 2445

Attorney Kozik requested dismissal, no probable cause. A motion to approve was made by Philip DeCaprio and seconded by Leonard Romaniello, all voted in favor.

Case #2448

Attorney Kozik presented this case to the Board, which Housing and Urban Development referred. Due to the technical nature and severity of the alleged violations, Attorney Kozik asked for Board assistance. Philip DeCaprio has agreed to review the case for the Board.

Case #2450

Attorney Kozik asked that this case be tabled, as there is no settlement currently negotiated. A motion to approve tabling this case was made by James Ciarcia and seconded by Leonard Romaniello, all voted in favor.

Case #2451

Attorney Kozik asked that this case be tabled, as there is no settlement currently negotiated. A motion to approve tabling this case was made by James Ciarcia and seconded by Leonard Romaniello, all voted in favor.

Chairman Reynolds commended Attorney Kozik on the extensive enforcement docket. Attorney Kozik stated that Kay and Frank, the Board interns were most diligent in compiling the information, which was provided to the Board.

Michael Kozik informed the Board that in the future, the majority of his time would be spent in the Elections Division.

Motion to approve tabled license reinstatement application and initial firm permit to practice application for Jeffrey Silverberg was made by Michael Weinschel, and seconded by Philip DeCaprio, all voted in favor. Individual tabled pending approval of settlement in enforcement Case # 2444, which applicant was subject to.

Under regulatory activity, Chairman Reynolds continued discussion with regard to the Board's position on reform, as well as the status of the Connecticut Law Revision Commission. Executive Director, David Guay, informed the Board although there was no budget for the Law Revision Commission presently, he felt a less than adequate budget would be reached soon.

James Ciarcia raised discussion with regard to the state budget status. Richard Bond expressed concern to Chairman Reynolds with regard to the current perception that faces this country and the Board's inability to reduce that perception due to funding. He suggested to Chairman Reynolds a need to convey this message to Secretary of the State, Susan Bysiewicz.

Chairman Reynolds echoed concern for the future of the Board's ability to continue to function without proper funding. Chairman Reynolds informed the Board that he has expressed to David Guay, a willingness to attend budget meetings in an effort to maintain awareness of the budgetary process as well as voice an opinion, as appropriate.

Executive Director, David Guay, updated the Board on the passing of Senate Bill 1035. He informed the Board that it is currently on the State Board of Accountancy website. His intention is to replace the sections in the current part of the law after provisions become effective on October 1, 2003.

David Guay updated the Board with regard to the vacant Board members' positions. He informed the Board that there is currently no change or information with regard to the existing vacancies, stating it has been recently noted to the Governor's Office.

Under other business, David Guay updated the Board with regards to Michael Weinschel's request to contact the National Association of State Boards of Accountancy in an effort to obtain information on the ethics guidelines in other jurisdictions.

Chairman Reynolds distributed to Board members, a copy of a memorandum provided by Arthur Renner, Executive Director of the Connecticut State Society of CPA's. This item is to become an agenda item for September 3, 2003 meeting.

After brief discussion, members agreed to commence subsequent meetings at 9:00 a.m.

Chairman Reynolds informed the Board that he and Richard Bond would be visiting the Prometric Exam site in Norwalk. An update to the Board on that visit will be made at the September 3, 2003 meeting.

Chairman Reynolds updated the Board on a recent informal meeting he attended with Executive Director of the Connecticut Society of CPA's, Arthur Renner and Newton Buckner III, current President of the Connecticut Society of CPA's. He informed the Board that the purpose of the meeting was to lay the groundwork in the hopes of coming together in an effort to work cohesively in the future. Among the issues discussed were Accountancy Board attendees at parts of the Board of Governor's meetings, complete review of Connecticut Continuing Professional Education and 150-hour education rule. Chairman Reynolds noted to the board the tone of the meeting was a positive one. Also in attendance from the Connecticut State Board of Accountancy were Executive Director, David Guay, Board Attorney, Michael Kozik and Philip J. DeCaprio Jr, Accountancy Board Member.

Chairman Reynolds handed out various articles to Board members. No Board action taken.

Chairman Reynolds expressed gratitude and recognition to Frank Qi and Kay Han, Board interns for their work and contribution to the Board.

Chairman Reynolds updated the Board with regards to his request of scholarship funds for James Ciarcia. Chairman Reynolds was still waiting approval from the National Association of State Boards of Accountancy for funds to allow Board member James Ciarcia to attend the National Conference in Hawaii on behalf of the Board.

A motion to adjourn the meeting was made by James Ciarcia, and seconded by Michael Weinshel, all voted in favor. Meeting was adjourned at 11:43 a.m.