

**Connecticut State Board of Accountancy
Special Meeting Minutes
November 29, 2021**

The Special Meeting was called to order by Chairman John H. Schuyler at 10:12 AM via ZOOM Webinar.

Board Members Present: John H. Schuyler, Chairman, Public Member
Timothy F. Egan Certified Public Accountant
Karla H. Fox, Esq., Public Member
Dannell R. Lyne, Certified Public Accountant
Marcia L. Marien, Certified Public Accountant
Peter J. Niedermeyer, Certified Public Accountant
Martha S. Triplett, Esq. Public Member

Board Members Absent: None.

Board Vacancies: Two Public Members

DCP Staff Present: Robert M. Kuzmich, Architect Emeritus, License/Applications
Specialist
Frank Virnelli, Manager
Cat Arsenault, Staff Attorney

Public Present: Bonnie Stewart, CT Society of CPA's
Pat Hartman
Kevin Burke
Brian Reilly
Julia Bensur
Robert Hoff
H. Blonshteyn

Note: The administrative functions of the Boards, Commissions, and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division.

Website: www.ct.gov/dcp

Licensing/Certification: dcp.licenseservices@ct.gov

Enforcement issues: dcp.accounting@ct.gov

1. Case 2019-11

It is noted that Mr. Egan recused himself from the meeting before discussion began on this Agenda Item.

Ms. Fox noted the at the Board received a copy of the proposed Settlement Agreement prior to today's meeting. It was noted that KPMG has signed this agreement. Ms. Fox noted, in particular, Section 11C of this document addressing the inclusion of Ethics in the KPMG Training Strategy throughout their organization. Ms. Fox noted that it was agreed by all parties involved that no additional ethics training was necessary.

KPMG Attorney Mr. Kevin Burke addressed the Board regarding the Settlement Agreement; in particular, as it relates to the incorporation of ethics in their 4-year training strategy. He stated that these changes, on a larger scale, involve significant structural and cultural changes to their organization on nationwide basis. Mr. Burke detailed some of the changes made by KPMG. He noted that this has been a difficult chapter for the firm, but they used this period as an opportunity to reinvent and recommit to their culture of ethics and integrity. Mr. Burke addressed questions from Mr. Lyne regarding reporting requirements as it relates to KPMG's compliance with the agreement.

The Board voted to accept the Settlement Agreement. (Fox/Lyne) It is noted that Ms. Marien had to leave the meeting earlier and, therefore, did not participate in the vote. It is also noted that Mr. Egan had recused himself from the meeting prior and did not participate in the vote.

2. Carry-over of attest credits for CPE

Mr. Virnelli stated that he received a question concerning the required 8 hours of attest credits per year. The question is can credits earned over the required amount be carried over to the next year. This is a policy question for the Board to answer. He noted that NASBA's position is the credits cannot be carried over. After extensive discussion by the Board, they voted, unanimously, to not allow any carry over of attest credits. (Niedermeyer/Marien)

3. Alternative Experience

Mr. Schuyler stated that the rules for approving alternative experience have changed over the years and, as such, has asked Ms. Pat Hartman from NASBA to address this topic. He noted that the Board's challenge in the past has always been experience verification and suggests that the Board consider NASBA's program as an alternative. Mr. Schuyler also noted that present today is Mr. Brian Reilly from Travelers Insurance Company to present their alternative experience program.

Ms. Hartman now addressed the Board detailing her professional background. She noted the States that accept NASBA's alternative experience and gave the Board the background of how alternative experience came about. She noted that most States leave the experience approval up to the discretion of the verifying CPA. NASBA's CPA uses the State of Michigan's Standards, which were previously sent to the Board, for the evaluation of alternative experience.

Ms. Hartman detailed the review process the candidates go through in presenting their alternative experience to NASBA's representative, Ms. Laura Bieber, CPA. Her credentials were presented to the Board by Ms. Hartman. It was noted by Ms. Bieber that Connecticut has the most stringent of all the States requirements for education. She is comfortable in knowing what Connecticut is looking for. The interview process is done through the ZOOM Meeting Platform. Example question types were reviewed by Ms. Hartman. She further summarized the complete vetting process Ms. Bieber goes through before her report gets back to the Board.

Mr. Schuyler noted that at the NASBA Annual Meeting, there was much emphasis put on the fact that the CPA credential is not just a certificate but in fact is meant for the protection of the public and is not just a credential or diploma. Ms. Hartman noted that NASBA makes it very clear to the candidates that the CPA designation is a license and not just a credential.

In response to a question from Mr. Virnelli, Ms. Hartman stated that NASBA, through their credential reviewer, would consider reviewing the credentials of company programs for alternative experience and not just individuals which is what they are doing at present. To be sure, Ms. Hartman will ask Ms. Bieber this question. Ms. Hartman clarified to Mr. Virnelli how the State would accept candidates with alternate experience referred from NASBA. Ms. Marien questioned the applicability of the current statutes relative to NASBA's Alternate Experience Program. Ms. Hartman gave the Board some examples of how NASBA could potentially help them relative to individual candidate experience on a case-by-case basis. Ms. Marien noted that having outside review of work experience would be an advantage to the Board. Ms. Hartman offered to send the Board the questions asked of candidates by Ms. Bieber for their review and discussion at their next meeting. Mr. Schuyler noted that further discussion of this topic, after the presentation next from Mr. Reilly, would be best done at their next regular meeting given the complexity of the subject matter. Mr. Niedermeyer, in discussion with Mr. Schuyler, determined that further discussions of this topic, given the current statutory requirements, would really be about changing the statutes/regulations relative to the requirement that work experience be signed off by licensed Public Accountants

Mr. Brian Reilly, from the Travelers Company, now addressed the Board detailing the Travelers Insurance Company's alternate work experience program (Financial Leadership Development Program). He is the current president of the CTCPA and gave the Board details on his professional experience noting he has been at his company for twenty years acting as Chief Auditor. He was a partner at Arthur Anderson for sixteen years prior to his coming to the Travelers.

His company hires students off campus who historically have been finance majors realizing the need in the future for these people to become CPA's. As such, Travelers has changed their focus on training in recognition of this future goal as finance leaders. He also detailed some of the company's other professional job training rotations. Candidates in this Alternate Work Experience Program do three professional, one-year rotations while simultaneously taking a six-month class in insurance basics or other subjects such as financial planning/analysis and internal audit. Throughout this time, students are also networking and doing community service. Mr. Reilly gave Mr. Virnelli literature for the Board on the Travelers Program. Mr. Reilly stated to the Board that this work experience program has been in existence for approximately forty years and is not something that came about recently. Mr. Schuyler does remember this program from the eighties.

In conclusion, Mr. Reilly will put together some questions he has for the Board and either Mr. Virnelli will answer these questions in the interim or present the same to the Board to be addressed at their next regularly scheduled meeting.

4. Ms. Stewart noted that the AICPA has reached out to the CTCPA and indicated that Connecticut is among the most stringent of the States when it comes to experience. She offered to summarize Connecticut's experience requirement for the Board for their January 4, 2022 regular meeting and asked the Board if this subject can be included for discussion at this meeting. She noted there has been concern over Connecticut being overly stringent with the professions pipeline issues in Connecticut and throughout the nation at present. Mr. Schuyler agreed to have this item placed on the meeting's agenda.

ADJOURN

Ms. Fox made a motion to adjourn. The motion was seconded by Mr. Lyne. All remaining Board Members voted in favor and the motion carried. The meeting adjourned at 11:14 AM.

Next scheduled meeting: Tuesday, January 4, 2022 at 10:00 AM. The Meeting will be held remotely by ZOOM Webinar.

Respectfully submitted,

Robert M. Kuzmich, Architect Emeritus
License and Applications Specialist