



**Connecticut Society of  
Certified Public Accountants  
(CSCPA)**

**Oral Testimony Concerning**

**Raised Bill No. 839  
"An Act Concerning Mergers and  
Consolidations of Various State Agencies"**

**by**

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Senator Harp, Representative Geragosian, members of the Appropriations Committee, I'm Arthur Renner, executive director of the 6,000 member Connecticut Society of Certified Public Accountants. I am here to present the society's concern with certain provisions of SB No. 839, An Act Concerning Mergers and Consolidations of Various State Agencies as it relates to the State Board of Accountancy.

As currently proposed, SB 839 would move the State Board of Accountancy within the Department of Consumer Protection and that department shall provide staff support for the Board. The CSCPA's concern is that the State Board continues to have appropriate and necessary resources to regulate the CPA profession in an effective manner.

The body of technical knowledge that CPAs must deal with is both voluminous and dynamic. The Financial Accounting Standards Board, (FASB), located in Norwalk CT, is the designated body for establishing Generally Accepted Accounting Principles (GAAP).

In its 35 year history, the FASB has issued over 150 detailed new accounting standards. Just six and half years ago, the federal government, with the passage of the famous Sarbanes-Oxley legislation, created a quasi-public entity, the Public Company Accounting Oversight Board (PCAOB) which, among other things establishes auditing standards that the profession must follow.

I would venture to guess that most of the members of the Appropriations Committee use the services of a paid tax provider, such as a CPA, because of the complexity of our tax code. About half of the American public does. Accounting standards, auditing standards, federal, state and local tax regulations, a code of ethics – the list of detailed knowledge that CPAs utilize is very complex and, as I said earlier, is constantly changing. This specialized knowledge and framework requires dedicated and knowledgeable regulation both from the State Board and its support staff.

The CPA profession in Connecticut pays approximately \$2 million a year to the Connecticut General Fund in the form of license fees. This amount is slated to increase

if the Governor's budget proposal is adopted. It is in the interest of the accounting profession and all other citizens of this state that the practice of public accounting continues to be overseen by an effective State Board of Accountancy. This requires a dedication of financial resources and staff to the effort.

The Connecticut Society appreciates the opportunity to testify with respect to Raised Bill No. 839 "An Act Concerning Mergers and Consolidations of Various State Agencies.