

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JANUARY 20, 2011
SOMERSET ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:40 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President Donald Jump called the meeting to order at 9:40 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Robert Cagnassola, CPA	Present
John F. Dailey, Jr., CPA	Present
Daniel J. Geltrude, CPA	Present
Albertus Jenkins, Public Member	Present
J. Frank Johnson, Public Accountant	Present
Donald Jump, CPA	Present
Paul J. Lerch, CPA	Present
Michael S. Taxin, Public Accountant	Present
Peter Torok, Public Member	Excused
Steven Weinstein, CPA	Present

Also present at the meeting were William Mandeville, Executive Director; Tobey Palan, Deputy Attorney General; Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Mike Polito, Past President, NJSCPA; Robert Marrone, President, NJSCPA; Alfred A. Strolis, NJ Association of Public Accountants; Burton Zocks, NJAPA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of December 16, 2010

On a motion made by Keith Balla, seconded by Albertus Jenkins, the Board voted to approve the December 16, 2010 Public Session minutes as presented. The vote of the Board was unanimous.

III President's Remarks

Board President Jump had no report for the Board.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Committee Reports

A CPA Examination Committee

Steven Weinstein had no report for the Board.

B Ethics Committee

Keith Balla reported that two Law and Ethics courses have been submitted for review. IPD submitted a course which was reviewed and a letter was sent to the author that includes certain criteria that must be followed.

The Committee also received a Law and Ethics course from the Office of the Auditor. The review of this course is ongoing.

C CPE Committee

Keith Balla reported that a meeting was recently held to review several topics concerning CPE sponsors. A report will be given in Executive Session.

D RMA Committee

Robert Cagnassola reported that the RMA examination was administered on December 3, 2010. A total of 19 candidates sat for the exam. The exam has been corrected and will be discussed in Executive Session with a final report to be subsequently given in Public Session.

E Peer Review Program Committee

Robert Cagnassola reported that the committee is still working on a draft of a letter, to be sent to all registered firms, informing them of the new Peer Review requirements. Once completed, the Committee will review and approved a final draft.

F Education Committee

Albertus Jenkins had no report for the Board.

G Reciprocity Committee

Paul Lerch had no report for the Board.

H Nominating Committee

Robert Cagnassola reported that the Nominating Committee will be meeting in February, with a recommended slate of officers to be made to the Board at the March meeting. Elections will be held in April and the new officers will take their positions at the May meeting. Any Board member who wishes to serve should inform any member of the Committee.

I Statute/Rules/Regulations Committee

John Dailey reported that the comment period for the Sunset Rules has ended. He stated that only one comment was received. That comment will be reviewed and a report will be given at a future meeting.

J Planning Committee

Albertus Jenkins had no report for the Board.

K Monitoring Profession Committee

John Dailey reported that the Committee continues the process of auditing CPE credits for the triennial period that ended December 31, 2008. Mr. Dailey reported that the results of the current audit are disturbing and a detailed report will be presented in the Executive Session.

VI Public Comments

Robert Marrone, President, NJSCPA reported on the following activities of the Society:

Important Society Dates

- On Saturday January 29, 2011, at Caldwell in the Alumni Theater the Society will host its annual Women's Financial Literacy Conference. Keynote speaker for the program will be Julie Bond Genovese, author "Nothing Short of Joy". The program will include sessions on budgeting, smart debt management, beginning and intermediate investing and estate planning.
- On February 1st and 4th the Society will be hosting meetings with the managing partners of major firms in New Jersey to provide them a professional issues update. To date, over 40 firms have registered to attend the 3 meetings that have been scheduled. Paul Stahlin, AICPA Chair is scheduled to attend two of the three meetings to talk about the CPA Horizons 2025 vision initiative.
- April 28, 2011- 51st Annual NJSCPA Scholarship Ceremony.
- June 8-10, 2011- Society's 6th Annual New Jersey Convention and Expo will be held at the Taj Mahal in Atlantic City.

Society Activities and Engagements on the Legislative and Regulatory Front

We are monitoring the following legislation and regulatory activities in Trenton:

- S 672 and A 2396, Tax Preparers Licensing Act- Assemblyman Vince Prieto was ready to post A 2396 to be heard by the Assembly Regulated Professions committee which he chairs. The Society intervened and asked the Assemblyman to not post, but continue to hold the bill until the IRS initiative has played out. On this issue nationally, IRS issued guidance on December 30, 2010 which indicated that non signing tax preparers who worked under the auspices of a CPA and /or worked in a CPA would not be subject to taking an exam or CPE.
- While things have been relatively quiet regarding mandatory audit firm rotation, we have learned that senior members of the administration still believe it is a best practice that should be initiated on State audits. We expect that this initiative will surface next year after the Governor's budget address. We are still hearing that firms who are incumbent auditors for more than 10 years are being allowed to bid on and win audit engagements
- UEZ legislation that the Society has been tracking was passed by both the Senate (with amendments supported by the Society) and the Assembly and is awaiting signature by the Governor Christie.

- Just a reminder that Congress acted on and passed legislation clarifying the definition of creditor as defined in the FTC's Red Flag Rules such that it does not include CPAs, lawyers, doctors, etc. Consequently, CPAs will not have to establish or maintain a process to detect identity theft. Needless to say, this is a win, and good news for the CPA profession.
- The Society is monitoring the State budget process to identify proposals or legislation that may not be business friendly.

On a motion made by Albertus Jenkins, seconded by Michael Taxin, the Board voted to adjourn the Public Session at 9:50 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry, three matters of New Business, one matter of Old Business and one Consumer Complaint. The vote of the Board was unanimous.

At 12:15 P.M. the Public Session was reopened to discuss the following matter.

Results of the December 3, 2010 RMA examination were distributed by Mr. Cagnassola and reviewed by the Board in Executive Session. Subsequently, DAG Palan asked a procedural question concerning the exam. On a motion made by Steven Weinstein, seconded by Michael Taxin, the Board voted to release the grades after DAG Palan has had an opportunity to obtain an appropriate legal review of the procedural question she raised. The vote of the Board was nine voting in favor with Robert Cagnassola abstaining.

At 12:20 P.M., the board returned to Executive Session.

Respectfully submitted,

William Mandeville
Executive Director