

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JANUARY 30, 2014
SOMERSET ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:30 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, John Dailey called the meeting to order at 9:30 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Richard C. Barlotta, PA	Present
Jorge A. Caballero, CPA	Excused
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Dennis C. Meyerson, PA	Present
Hal Model, CPA	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were Khaled Madin, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Gerard Abbattista, President, NJSCPA; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA, Jeff Kaszerman, Government Relations, NJSCPA and David Plaskow, Editor, NJSPA.

The Board entered into Executive Session at 9:33 A.M. to discuss the results of the RMA examination.

The Board reconvened in Public Session at 9:41 A.M.

II Minutes of the Meeting of December 19, 2013

On a motion made by Harold Model, seconded by Ainsley Reynolds, the Board voted to approve the December 19, 2013 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

President Dailey informed the Board that Executive Director Mandeville is currently on sick leave. Khaled Madin will be filling in as Acting Executive Director.

IV Executive Director's Remarks

Acting Executive Director Madin thanked President Dailey for his kind words and looks forward to working with the Board.

V UNIFORM PENALTY LETTER IN LIEU OF FORMAL COMPLAINT FOR CPE AUDIT - RENEWAL PERIOD 2009-2011

A PAID PENALTY AND WILL MAKE UP CREDITS

- 1 David Finver - \$2,500 - paid

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to approve the paid penalty and the making up of the credits. The vote of the Board was unanimous.

B REQUESTED BOARD TO CONSIDER EXPLANATION

1 Alison McNerney

Sara DeSmith recused herself from this matter.

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to rescind the UPL since Ms. McNerney supplied the information requested. The vote of the Board was unanimous.

C REQUESTED VOLUNTARY SURRENDER

1 Edward C. Ross

2 Melvin A. Peller

On a motion made by Keith Balla, seconded by Michael Runge, the Board voted to approve the requests for voluntary surrender. The vote of the Board was unanimous.

Request for Reinstatement

A Thomas Schaefer

Mr. Schaefer voluntarily surrendered his license via UPL. His fine has been paid in full and he has complied with all CPE requirements.

On a motion made by Ainsley Reynolds, seconded by Sara DeSmith, the Board is requesting that Mr. Schaefer provide the Board office with his work experience. The vote of the Board was unanimous.

VI Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board.

B Ethics Committee

It was reported that there are no updates at the current time.

C CPE Committee

Daniel Geltrude had no report of the Board.

D RMA Committee

John Dailey reported to the Board that the results of the RMA examination administered on December 6, 2013 are as follows:

23 candidates sign up for the exam
20 sat for the exam
3 no shows
6 passed

The highest score was at 95, 6 individuals received a grade 75 or better and 9 individuals received a grade of 60 or better.

President Dailey informed the Board that the changes that were made to the last exam provided to be somewhat helpful.

The result letters will be mailed out later in the week.

Ralph Thomas, Executive Director, NJSCPA wanted to find out how approximately how many active RMAs and PAs are in NJ.

E Peer Review Oversight Committee

Sara DeSmith reported to the Board that a meeting will be held at the end of the Board meeting.

F Education Committee

Ainsley Reynolds reported to the Board that he has signed up for the Pay It Forward program sponsored by the NJSCPA. The Pay It Forward program is a program that has been around for approximately a decade. This program tries to get high schools students to take accounting as a major in colleges.

G Reciprocity Committee

Michael Runge had no report for the Board.

H Nominating Committee

Keith Balla informed the Board that he is in the process of getting the slate together and will report back to the Board at the next Board meeting.

I Statute/Rules/Regulations Committee

Keith Balla informed the Board that the five year bill is going to be signed by the Governor on January 13, 2014.

J Monitoring Profession Committee

Keith Balla reported to the Board that a meeting was held on January 14, 2013. 109 licensees supplied information for the audit, 53 licensees are only missing the NJ Law and Ethics course and the rest are varying deficiencies. A few individuals have requested medical waivers as well as voluntary surrender. Of the 109 licensees, there are 4 that are being scheduled to appear before the Investigative Inquiry Committee.

President Dailey mentioned to the Board that Nick Costantino had passed away earlier in the week. Mr. Constantino was a great person and a dedicated CPA.

VII Public Comments

Ralph Albert Thomas, CEO and Executive Director of the New Jersey Society of CPAs. On behalf of the Society, Mr. Thomas wished a belated Happy New Year to the members and staff of the State Board of Accountancy. We want to welcome Mr. Khaled Madin to his new role as Acting Executive Director for the State Board of Accountancy, and offer our support and assistance. Following are the Society's key dates, activities and initiatives:

Update on Important Society Dates

- April 24th, 2014 - Annual Society Scholarship Awards Ceremony at the Renaissance Hotel Woodbridge, NJ from 6pm to 8:30pm.
- May 14th & 15th, 2014 - NJSCPA Annual Accounting, Business and Technology Show at the Meadowlands Exposition and Convention Center, Secaucus, NJ.

- May 28th & 29th, 2014 - Society's Scholars Institute Program at Montclair State University, Montclair, NJ.

- June 4th-6th, 2014 - NJSCPA Annual Convention & Expo at Bally's in Atlantic City, NJ

Mr. Thomas provided an update to the Board members and staff on the following Society activities and initiatives:

- The Society had an outstanding Women's Conference on January 15th at the Renaissance Hotel in Woodbridge, NJ

- A1545/S2116, the Reciprocity Bill which the Society has been supporting, was passed by the full Assembly unanimously and was signed by Governor Christie on January 14th. The Society welcomes an opportunity to work with Board staff as they review the underlying processes and forms related to obtaining a reciprocal license. The current application form is approximately 26 pages plus, and applicants for a reciprocal license have to submit their college transcripts and obtain affidavits from previous employers. This process is quite cumbersome and is counter to the spirit of the new bill to simplify the reciprocity process.

- Our efforts to advance Appeal Bond Cap legislation continue to be a work in process, as the attempts to include Appeal Bond Cap provisions in an economic growth bill sponsored by Senator Lesniak were unsuccessful. The Society will revisit whether to introduce a standalone bill or try once again to incorporate cap provisions in another bill.

- The Society is putting together an informal task force working group to identify recommendations for Assemblywoman Munoz to incorporate in a new bill to address concerns surrounding controls over local and county expenditures without requiring mandatory audit firm rotation. The Assemblywoman had proposed a bill, A4378, in the last legislative session which would mandate mandatory audit firm rotation.

- On a national front, the Society continues to collaborate with the AICPA on the following bills and potential legislation in Congress: Mobile Work Force and Elimination of Cash Basis Accounting for Tax Reporting. We are scheduled to have a call with Senator Booker's staff next week to discuss the Elimination of Cash Basis Accounting for Tax Reporting. Additionally, we are working with the AICPA on Diversity and Inclusion initiatives. Finally, the AICPA has committed to work with the academic community to establish and launch an Accounting AP program.

Additional Comments:

As stated in previous Board meetings, the Society believes the Board should provide oversight on an ongoing basis providers of the New Jersey Law and Ethics courses to ensure that providers are covering the material mandated by the Board for this course. The Society has heard that approved providers are not sticking to the course outlines presented and approved by the Board. Given that the Law and Ethics course is the only course approved and mandated by the Board, the Society suggests the Board conduct surprised/unannounced visits to New Jersey Law and Ethics courses to review and critique them.

Again, the Society expresses its concerns over the Board's decision to eliminate the 60 hour maximum requirement on self-study CPE in a reporting period. We are concerned licensees may abuse the Board's decision by taking self study programs for "compliance" versus competency purposes. In other words, licensees would take easy self study courses where they would simply take the exam for credit without reading course material. The landscape for CPE is changing and moving to a model which incorporates blended learning with a focus on competency. Given this and the fact that 28 other jurisdictions have some sort of limitation on self study, we hope the Board will reconsider its November action eliminating the 60 hour maximum self-study requirement.

On a motion made by Anisley Reynolds, seconded by Richard Barlotta, the Board voted to adjourn the Public Session Board meeting at 10:35 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry conducted, one matter of New Business, two matters of Old Business, one request for reinstatement, UPL in Lieu of Formal for CPE Audit 2009-2011, reports submitted by the PCAOB, one CPE Audit Board Offering Voluntary Surrender - unanswered and one Consumer Complaint. The vote of the Board was unanimous.

Respectfully submitted,

Khaled Madin
Acting Executive Director