

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
MARCH 17, 2016
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:50 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, Daniel Geltrude called the meeting to order at 9:50 A.M. The following roll call was taken:

Keith Balla, CPA	Present
John F. Dailey, Jr., CPA	Present
Allison Dunko, CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
David J. Milkosky, CPA	Excused
Harold Model, CPA	Present
Joan Paciga, CPA	Present
Eileen Poiani, Ph.D	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present
Maria Vallejo, Esq.	Present

Also present at the meeting were Khaled Madin, Acting Executive Director; Terri Goldberg, Acting Executive Director Quin Archer; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Mike Polito, Past President, NJCPA and Jeff Kaszerman, Director of Government Relations, NJCPA.

II Minutes of the Meeting of January 21, 2016

On a motion made by Ainsley Reynolds, seconded by Sara DeSmith, the Board voted to approve the January 21, 2016 Public Session minutes with corrections. The vote of the Board was seven voting in favor with John Dailey, Maria Vallejo and Eileen Poiani abstaining.

III President's Remarks

Board President Geltrude wished everyone a happy St. Patrick's Day and he also welcomed Terri Goldberg as the Acting Executive Director.

IV Executive Director's Remarks

Terri Goldberg, Acting Executive Director provided a summary of her duties. Ms. Goldberg is informed the Board that she is the Assistant Deputy Director of Board Operations and oversees the 48 licensing Boards. She has acted as Acting Executive Director to Professional Counselors, Alcohol and Drug Counselors and Marriage and Family Therapy. Ms. Goldberg informed the Board that she started working for the Board of Dentistry fourteen years ago, as well as with the Chiropractic Board, Mid Wifery and Acupuncture. She has experience working with regulations and DAGs.

Ms. Goldberg informed the Board that interviews are being held to hire an Executive Director for the Board. It has been narrowed down to two people. They are currently going thru the process of meeting with the Director and the Chief of Staff.

V New Business

A Christopher L. Schellman

Correspondence was received from Christopher L. Schellman wherein he provides a copy of a Final Order filed by the Florida Department of Business and Professional Regulation. Mr. Schellman currently holds an active license in New Jersey.

On a motion by John Dailey, seconded by Michael Runge, the Board voted to accept the material provided as informational. The Board would like to inform Mr. Schellman that he register his firm in New Jersey since he is serving New Jersey clients and providing audits or any type of services that would require a firm registration. The Board would like to know if Mr. Schellman has any New Jersey clients. If he does, he must provided a description of services he provides. The vote of the Board was unanimous.

B AICPA / Prometric / NASBA

Correspondence was received from AICPA/Prometric/NASBA wherein they provide information regarding new fees.

The Chair directed that the material provided, be accepted as informational.

C Mukesh J. Mody

Correspondence was received from Mr. Mody wherein he informs the Board that he is unable to obtain work experience under the direction of a licensed CPA.

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to inform to Mr. Mody that it is unacceptable to provide work experience that was not gained under the supervision of a licensed CPA and is lacking the required Accounting and Auditing. He must obtain his work experience under the supervision of a CPA pursuant to NJSA 45:2B-51. The vote of the Board was unanimous.

D Richard D. Garzon

Correspondence was received from Mr. Garzon wherein he requests a waiver of the 20 credit per year CPE requirement for 2015. Mr. Garzon informs the Board that he only completed 12 hours for 2015.

On a motion made by John Dailey, seconded by Keith Balla, the Board voted to inform Mr. Garzon that his is to make up the credits his lacking during 2016. The vote of the Board was unanimous.

VI Old Business

A Kenneth Adumekwe

This matter was previously reviewed at the November 19, 2015 Board meeting. The Board voted to inform Mr. Adumekwe that the Board disagrees with his conclusion that the home office is automatically the place of the corporation based on limited set of facts and that the individual that is performing audit engagements, must have a New Jersey license or practice privileges.

Mr. Adumekwe has submitted another letter for Board review.

On a motion made by John Dailey, seconded by Ainsley Reynolds, the Board voted to thank Mr. Adumekwe for his latest submission for Board review. The Board is upholding its original decision. The vote of the Board was unanimous.

VII Committee Reports

A CPA Examination Committee

Harold Model provided a report on the latest CPA exam scores.

B CPE & Ethics Committee

Keith Balla informed the Board that a teleconference meeting was held to discuss procedures for submission for approval or denial of the credits of non-authorized providers. Three providers were approved and the other two are still going thru the review process. Need to finalize IPD, CPE Inc. and Fraud Forces.

C Education & Reciprocity Committee

Ainsley Reynolds had no report.

D Monitoring the Profession Committee

Committee report will be provided in Executive Session.

E Nominating Committee

Keith Balla informed the Board that the Committee met have an initial proposal slate for 2016-2017. The proposal is as follows:

President - Daniel Geltrude
Vice-President - Sara DeSmith
Secretary - Harold Model

Treasurer - Ainsley Reynolds

Mr. Balla informed the Board that if anyone has any nominations, they are to provide them before the next meeting when voting will occur.

F Peer Review Oversight Committee

Sara DeSmith reported to the Board that the PROC met on at the end of the January 21, 2016 Board meeting to discuss the minutes of the NASBA Compliance Assurance Committee open meeting held on January 11th and noted that the Committee is actively pursuing measures and requesting information from Boards on implementing PROCs and making them more effective. The PROC reviewed NASBA's comment letter on the AICPA Exposure draft - *Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews for Improving Transparency and Effectiveness of Peer Review*. The ED focuses on peer review procedural changes designed to enhance audit quality. Overall, the PROC is supporting of the proposed changes and NASBA's comment letter.

PROC Monitoring:

Four firms currently under accelerated review requirement have responded back to the Board staff on their plans and they are on track for timely compliance.

PROC member Andrew DuBoff attended the NJ Society's PR Report Acceptance Body (RAB) meeting held on December 22, 2015. He reported that the report review procedures continue to be rigorous and noted that the RAB changed one report from "pass with deficiencies" to a "fail" and that reviewer quality issues were also identified and addressed. Peer reviewer education continues to be a focus and the NJ Society will be holding an education session for peer reviewers.

The PROC discussed a letter received from Mr. Charles Kairu, CPA, requesting exemption from Peer review. Since registering as a firm in NJ in 2014, Mr. Kairu had one audit client, a church and had issued two audit opinions for the church and one audit opinion for the church's nursery school. Mr. Kairu has recently taken a new job and has given up his only audit client and is no longer performing any attestation services. The PROC recommends that the Board

grant Mr. Kairu's request for exemption and that he be instructed to submit the annual Affidavit for Exemption from Peer Review.

On a motion made by Sara DeSmith, seconded by John Dailey, the Board voted to grant Mr. Kairu's request for exemption and instructed him to submit the annual Affidavit of Exemption from Peer Review. The vote of the Board was unanimous.

G RMA Committee

John Dailey thanked everyone that assisted with the proctoring of the December 4, 2015 RMA exam. Mr. Dailey reported that 17 individuals sat for the exam and 3 passed. Mr. Dailey suggested that a thank you letter be sent to Robert Cagnassola, Mike Cessaro and Scott Clennand on behalf of the Board for their assistance on the RMA exam.

H Statute/Rules//Regulations Committee

John Dailey reported to the Board that he has had communications with Regulatory Analyst Glasgow and they will be working on some dates in July 2016 to start the Committee meetings to start going over the rules.

I Communications Committee

John Dailey informed the Board that the Board's newsletter will be sent out approximately twice a year and it will be no cost to the Board. Thomas Kenny from NASBA has forwarded to Mr. Dailey four sample looks for the newsletter for Board review. Mr. Dailey would like the Board to review samples and select a cover so that a decision can be made. Mr. Dailey informed the Board that the first newsletter may be available in late spring or early summer. The newsletter will be sent electronically.

Mr. Dailey reported that there are four articles starting with the a letter from the Board President. The next article would be the biographies of the new Board members. President Geltrude suggested that a short biography should be submitted on all the Board members since it is the first newsletter. There will also be a summary of the rules that came into effect on September 21, 2015. The exam data will also be included on the newsletter. Mr. Dailey would like to have a draft ready by the April Board meeting.

President Geltrude asked Ms. Poiani and Ms. Vallejo to provide a brief introduction on themselves since they were not at the previous Board meeting.

Ms. Poiani informed the Board that she has been with St. Peter's University as a mathematician for 35 years. She also was the Assistant to the Vice President and she was also Vice President of Student Peers. Ms. Poiani was the first female mathematic in her department. She is very honored to be on the Board.

Ms. Vallejo informed the Board that she is an attorney with Chasan Leyner & Lamparello based out of the Secaucus. Ms. Vallejo informed the Board that she mostly works on commercial medical litigation, malpractice and appeals. Prior to becoming an attorney Ms. Vallejo was a journalist for ten years and was employed by Dow Jones did a lot of editing and reporting. She is happy and thankful to be on the Board.

Acting Executive Director Terri Goldberg informed the Board that she is in receipt of an email from NASBA regarding the 2016-2017 Committee Cycle. NASBA is encouraging that people sign up to be part of the Committee. If anyone is interested, they are to contact Ms. Goldberg and she will forward the email received which also contains an application.

Mr. Dailey informed the Board that NASBA is in need of people getting involved in NASBA. Mr. Dailey mention that there will be a regional meeting being held on June 6-10, 2016 in Ashville, North Carolina. Mr. Dailey encouraged the five new Board members to attend the meeting. The new Board members can obtain a scholarship thru NASBA. The meeting will have a new Board members orientation that is very informative.

Mr. Dailey informed the Board that maybe Dan Dustin can be invited to speak to the Board again.

VIII Public Comments

Jeff Kaszerman, Director of Government Relations at the New Jersey Society of CPAs. On behalf of Ralph Albert Thomas, CEO & Executive Director of the New Jersey Society of CPAs (NJCPA) made the comments. Again on behalf of the Society, its officers, members and staff and himself, welcomed and congratulated the new Board members on their appointment to the New Jersey State Board of Accountancy and reiterate that the Society looks forward to collaboratively working with them and other members of the Board. Following are key dates for Society programs:

- April 21st –The Society's Annual Scholarship Awards Ceremony will be held at the Pines Manor in Edison, NJ from 7-9pm.

- April 29th – The Society will host an Issues Watch Update Live with guest speaker Barry Melancon, President & CEO of the AICPA. Barry will provide comments on the enhanced joint venture initiative with CIMA. He will also provide a professional issues update.

Since the last State Board of Accountancy meeting in January, the NJCPA has been extremely busy working on the following initiatives and issues:

- The Society, in tandem with the NJ Chamber of Commerce, NJBIA and a number of companies, associations and other organizations launched a new coalition, Opportunity New Jersey. The coalition, which is a 501c(4) social welfare organization, was established to improve New Jersey's economic climate by growing jobs and making New Jersey a more affordable place to live.
- The Society has been very engaged in the following legislative proposals and bills: Increasing the minimum wage to \$15; Funding of the Transportation Trust Fund; Constitutional mandates on the Pension Payment Obligation and Mandatory Paid Sick Leave; reform of estate taxes; increasing the exclusions related to pension and retirement income; and consolidated reporting.
- On a regulatory front, we have collaborated with the AICPA to review the NJ State Board of Accountancy statutes and regulations and will provide suggested changes to align NJ's statutes and regulations with the most recent version of the UAA. We anticipate submitting our proposed changes to the Board by its April meeting.
- On a national level, we have continued our efforts to solicit support and sponsorship from our members of the NJ Congressional delegation to support and sign on to a Mobile Work Force bill.

The above activities reflect the Society's efforts to enhance its advocacy profile in Trenton by taking a more proactive role on business as well CPA centric issues.

On a motion made by Ainsley Reynolds, seconded by Harold Model, the Board voted to adjourn the Public Session Board at 11:00 A.M. to reconvene in Executive Session to discuss three New Business matters, four Old Business matters, one Request for Reinstatement, seven UPLs, the PCAOB reports, one miscellaneous matter and five Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

Terri L. Goldberg
Acting Executive Director