

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
MARCH 18, 2010
MONMOUTH ROOM - 7TH 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 Vice-President Keith Balla 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 Dailey, Jr., CPA	Present
Albertus Jenkins, Public Member	Present
J. Frank Johnson, Public Accountant	Present
Donald Jump, CPA	Excused
Paul J. Lerch, CPA	Late - 10:05 A.M.
Michael S. Taxin, Public Accountant	Present
Peter Torok, Public Member	Present
John E. Tully, CPA	Present
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; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA; Robert Traphagen, President, NJSCPA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of February 18, 2010

On a motion made by J. Frank Johnson, seconded by Peter Torok, the Board voted to approve the February 18, 2010 Public Session minutes as submitted. The vote of the Board was eight voting in favor with John Tully opposing.

III President's Remarks

In the absence of President Jump, Vice President Balla had no remarks.

IV Executive Director's Remarks

Executive Director Mandeville had no remarks.

V Waiver Request

A Mark B. Warnsman

Correspondence was received from Mr. Warnsman wherein he is requesting consideration from the Board to accept his work experience under provision N.J.A.C. 13:29-1A.3(h) without the supervision of a licensed CPA. Mr. Warnsman is a New Jersey successful examination candidate.

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to deny Mr. Warnsman request for consideration of his work experience. Mr. Warnsman is to be informed that he must obtain the experience under a licensee as required by N.J.S.A. 45:2B.51a(1). The vote of the Board was unanimous.

VI Legislative Matters

A Senate Bill No. 672

Tax preparers licensing act.

Regulatory Analyst Sheehan joined the Board meeting to discuss Senate Bill No. 672 with the Board.

On a motion made by Robert Cagnassola, seconded by John Dailey, the Board voted to oppose Senate Bill No. 672. During the discussion of this matter it was noted that, should the bill become law, Public Accountants should also be included in the language of the law since they have the same privileges and are held to the same standards as CPAs. The vote of the Board was unanimous.

VII Committee Reports

A CPA Examination Committee

John Tully had no report for the Board.

B Ethics Committee

Keith Balla reported to the Board that the Committee received a New Jersey Law and Ethics course for review. The Committee conducted a conference call to discuss the course and found that the course was severely deficient. Consequently, the course was rejected and returned to the provider.

C CPE Committee

John Tully informed the Board that the Committee met following the February 18, 2010 Board meeting to review CPE sponsors and several questions submitted relative to continuing education. The Committee will report back to the Board at the April meeting.

D RMA Committee

Robert Cagnassola had no report for the Board.

E QE Committee

Robert Cagnassola reported to the Board that there are no changes in the status of the proposed Peer Review regulations which have been forwarded to the Governor's office. Mr. Cagnassola informed the Board that Ralph Thomas of the NJSCPA expressed his thoughts in support of the proposed regulations and their importance to the profession and the public during a recent meeting in Trenton.

F Education Committee

Albertus Jenkins reported to the Board that he received some information from former committee chair Bennie Hadnott. He informed the Board that a Committee meeting will be scheduled in the near future.

G Reciprocity Committee

Keith Balla had no report for the Board.

H Nominating Committee

Robert Cagnassola reported to the Board the Committee met and the wish to propose the following officers for 2010-11:

President - Donald Jump
Vice President - Keith Balla
Secretary - John Dailey
Treasurer - Peter Torok

Mr. Cagnassola then asked the Board to forward any other nominations to be made directly to him. The Board will vote on the proposed slate at the April Board meeting and the newly elected officers will take office on May 1, 2010.

I Statute/Rules/Regulations Committee

John Dailey had no report for the Board.

J Planning Committee

Albertus Jenkins reported to the Board that Margaret Shoe provided him with information on an ongoing project on which she was working. Mr. Jenkins informed the Board that a Committee meeting will be scheduled in the near future.

K Monitoring Profession Committee

John Dailey had no report for the Board.

VIII Public Comments

Ralph Thomas, Executive Director, NJSCPA informed the Board of the following dates of importance to the Society:

- April 22nd- Society 50th Anniversary Scholarship Ceremony and Celebration at the Renaissance Hotel in Iselin, NJ
- June 2nd-4th- Society Annual Convention and Expo Ballys Atlantic City
- October 19th- Induction Breakfast for Paul Stahlin as Chair of the AICPA at the Fall Members Meeting of AICPA at the Roosevelt hotel in New Orleans, LA
- November 3rd-6th- Society Get Away Convention at the LaPlaya Resort in Naples FL.

In addition, Mr. Thomas summarized the following activities of the Society relative to legislation and regulation:

- S 672 and A 2396 - Tax Preparers Licensing Act- Bills sponsored by Senators Buono and Madden and Assemblymen Prieto and Biondi, which provide for the licensing of tax preparers. The Society opposes this legislation as it believes states shouldn't act before the IRS concludes its vetting of this matter. Secondly, the Society believes legislation calling for the regulation of unlicensed tax professionals may not accomplish its intended goals and also may cause marketplace confusion to the public.
- S 480 and A 2473 - Appeal Bond Caps sponsored by Senators Lesniak and Cardinale and Assemblyman Gary Schaer. Bills provide a maximum cap of \$50MM against lower court jury awards in an attempt to level the playing field for appeals of lower court decisions. Over 29 other states have such a cap. NJ only has a cap pertaining to awards in tobacco suits. The Society supports this legislation as it believes it would help make NJ a more business friendly environment.
- S 1540 - This bill provides for the consolidation of certain business-related categories of income, as defined under the New Jersey gross income tax, to allow taxpayers who generate income from different types of businesses to offset gains from one type of business with losses from another. The Society supports this legislation as it makes NJ a more business friendly environment.
- A 415 School Audit Extension - Sponsored by Assemblymen Rumana and Cryan provides for a one month extension of the deadline to complete a school district's audit. The Society supports this legislation as it will allow auditors sufficient time to address the complex issues and additional audit requirements associated with the audits of school districts.

- The Society is monitoring recent activity by the State Comptroller Mathew Boxer. Recently, Mr. Boxer issued a report on best practices regarding the procurement of professional services by state agencies, municipalities and authorities. The Society continues to be concerned over the Comptroller's inference that audit firm rotation, particularly mandatory audit firm rotation, will enhance audit quality and potentially reduce cost.
- Representatives attended the AICPA Regional Council meeting in NYC yesterday where they received a professional issues update by AICPA CEO and President Barry Melancon. It appears that mandatory adoption of IRFS will slip to 2015 according the SEC. However, the AICPA will still begin testing of IFRS content on the CPA exam in 2011. Focus group discussions were also held on the IRS's recommendations concerning regulation of non-CPA Tax preparers and future possibilities regarding AICPA membership.
- The Society met with the Governor's Appointment Counsel to advance that the Society is willing to be a resource to her and the new administration, and that The Society's members, given their backgrounds and business acumen, could bring a lot to the table as appointees to various boards, commissions and task forces.
- On March 15th Senator Dodd from Connecticut introduced his draft of financial re-regulation legislation for the Senate Banking Committee to mark up. State Societies and the AICPA will be weighing in with members of the Senate Banking Committee once we have had an opportunity to analyze the bill and amendments.

On a motion made by Michael Taxin, seconded by Albertus Jenkins, the Board 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 on March 11, 2010, two matters of Old Business, three matters of New Business, 15 PCAOB matters and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director