

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JUNE 17, 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 President Donald Jump called the meeting to order at 9:40 a.m. The following roll call was taken:

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| Keith Balla, CPA | Present |
| Robert Cagnassola, CPA | Present |
| John Dailey, Jr., CPA | Present |
| Albertus Jenkins, Public Member | Excused |
| 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 | Present |
| John E. Tully, CPA | Present |
| Steven Weinstein, CPA | Excused |

Also present at the meeting were William Mandeville, Executive Director; Tobey Palan, Deputy Attorney General; Marie Lisa, Staff; Jeff Kaszerman, NJSCPA; Mike Polito, NJSCPA Past President; David Plaskow, Editor NJSCPA Magazine.

II Minutes of the Meeting of May 20, 2010

On a motion made by Keith Balla, seconded by J. Frank Johnson, the Board voted to approve the May 20, 2010 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

Board President Donald Jump had no report for the Board.

IV Executive Director's Remarks

Executive Director Mandeville informed the Board of two new sites for the exam have been established. Those sites are in Hamilton, NJ and Laurel Springs, NJ.

V B Michael Fairbourne

Mr. Fairbourne is requesting the reinstatement of his New Jersey CPA license by endorsement from Delaware.

On a motion made by Jack Dailey, seconded by Robert Cagnassola, the Board voted to deny Mr. Fairbourne's request until he has completed 14 deficient CPE credits needed to comply with the 120 credit hour requirement. The vote of the Board was unanimous.

VI Committee Reports

A CPA Examination Committee

John Tully reported to the Board on the following matters discussed during the NASBA Eastern Regional Meeting in Charleston, SC, which was held on June 9-11, 2010:

The CPA Examination Review Board completed and published a report on the 2009 Uniform CPA Examination and International Qualification Examination. They concluded that Boards of Accountancy may rely on the Uniform CPA examination and the international Qualification Examination in carrying out their licensing responsibilities for the year ended December 31, 2009.

NASBA has signed a new examination agreement. The contract term was extended to 2024 with 5 year look-back reviews.

The AICPA Board of Examiners recently reported that there will be content changes to the CPA Exam which will include International Financial Reporting Standards (IFRS). Starting in 2011 there will be some structural changes to the CPA Exam; i.e. the AUD section will be shortened by 30 minutes and the BEC section will be lengthen by 30 minutes.

B Ethics Committee

Keith Balla had no report for the Board.

C CPE Committee

John Tully had no report for the Board.

D RMA Committee

Robert Cagnassola had no report for the Board.

E QE Committee

Robert Cagnassola gave a brief update on the progress of the proposed Peer Review regulations.

F Education Committee

No report.

G Reciprocity Committee

Keith Balla had no report for the Board.

H Nominating Committee

Robert Cagnassola had no report for the Board.

I Statute/Rules/Regulations Committee

John Dailey had no report for the Board

J Planning Committee

No report.

K Monitoring Profession Committee

John Dailey had no report for the Board.

VIII Public Comments

Jeff Kaszerman, NJSCPA informed the Board of the following events.

Important Society Dates

- October 19th- Induction Breakfast for Paul Stahlin, CPA and former President of our State Society as Chair of the AICPA at the AICPA Fall Members Meeting at the Roosevelt Hotel in New Orleans, LA. We are also planning an event in New Jersey sometime in either December 2010 or January 2011 to recognize Paul.
- November 3rd-6th- Society Get Away Convention at the LaPlaya Resort in Naples, FL.
- November 30th- Tentative date for Town Hall Meeting and celebration for Paul Stahlin, AICPA Chairman
- The Society's 5th Annual New Jersey Convention and Expo held in Atlantic City June 2nd-4th was a tremendous success. Besides setting attendance records, key note presentations by Frank Abignale and Barry Melancon were outstanding. Next year's Convention will be held June 8th-10th at the Taj Mahal in Atlantic City.
- The Society's annual Scholars Institute Program, held this month at the College of New Jersey, was attended by 94 of New Jersey's best and brightest accounting majors from more than 30 of the nation's top accounting programs. This year's program was another resounding success.

Society Activities and Engagement on the Legislative and Regulatory Front

The Society is monitoring the following legislation and regulatory activities in Trenton:

- Society leaders met with Assembly Speaker Shelia Oliver to discuss our position on and support of Appeal Bond Cap legislation S 672 and A 2396.

We also discussed with the Speaker our support of some the reform measures proposed by the State Comptroller regarding the audit firm selection process pertaining to audits of State agencies, municipalities, etc. We communicated our concerns regarding the State Comptroller's recommendation for mandatory audit firm rotation.

- S 672 and A 2396, Tax Preparers Licensing Act- No activity has transpired on these bills. The primary sponsors continue to agree to hold these bills to see what happens with the recommendations put forth by IRS.
- We continue to monitor activity on the following bills in Trenton: S 489 and A 2473, Appeal Bond Caps legislation, sponsored by Senators Lesniak and Cardinale and Assemblyman Gary Schaer. The Society and representatives from the profession will be testifying this afternoon in Trenton at the Assembly Appropriations Committee hearing in support of A 2473; S 1540, sponsored by Senator Oroho, which 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; A 415 School Audit Extension, sponsored by Assemblymen Rumana and Cryan, which provides for a one month extension of the deadline to complete a school district's audit. Floor votes on this legislation passed in both the Assembly and the Senate and now await the Governor's signature.
- The Society continues to monitor activity by State Comptroller Matthew Boxer concerning his recent 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 reduce audit costs for state and local agencies. In addition to recent meetings with Senate President Sweeney and Democratic Majority Leader Buono, we have also met with Senators Kean and O'Toole and Assemblyman Cryan to raise our concerns. The Society recently completed a formal position paper outlining our support for some of the proposed reforms and our concerns and recommendations pertaining to mandatory audit firm rotation.
- Subsequent to the May Board meeting, the Society, along with the Alabama, Connecticut, Massachusetts and Pennsylvania Societies, issued a joint letter to key members our of respective Congressional delegations sitting on the House Financial Services Committee. This letter was sent to articulate the profession's concern regarding various onerous amendments being

introduced during a conference on recently passed financial re-regulation legislation. The letter states our opposition to any amendments that seek to expand or broaden the definition of aiding and abetting to “recklessness” rather than “knowingly”.

On a motion made by Michael Taxin, seconded by Paul Lerch, the Board voted to adjourn the Public Session meeting at 10:30 A.M., and to reconvene in Executive Session to discuss the results of the Investigative Inquiry conducted June 10, 2010, one matter of Old Business, one Reinstatement request, and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director