

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JULY 15, 2010
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 Dailey, Jr., 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	Excused
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; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJSCPA, Jeff Kaszerman, NJSCPA;

II Minutes of the Meeting of June 17, 2010

On a motion made by Peter Torok, seconded by J. Frank Johnson, the Board voted to approve the June 17, 2010 Public Session minutes with corrections. The vote of the Board was unanimous, except for Steven Weinstein and Albertus Jenkins who abstained.

III President's Remarks

President Jump had no report for the Board.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Waiver Request

A Mary Ellen Mundy

Ms. Mundy requested a waiver of 30 credits by endorsement from Pennsylvania. It was determined that Ms. Mundy does not qualify for licensing under the 4 & 10 rule at this time.

On a motion made by Robert Cagnassola, seconded by John Tully, the Board voted to request additional employment history from 1992, including the appropriate statements of experience, and upon receiving this information the Board will consider the request to waive credits. The vote of the Board was unanimous.

VI Old Business

A James P. Philbin

This matter was previously reviewed by the Board regarding correspondence that was received regarding an advertisement for tax services published in a local newspaper by James Philbin. A letter was sent to Mr. Philbin requesting the names and license numbers of all licensees engaged in the preparation of tax returns for this entity. Correspondence was received by Mrs. Philbin that her husband had passed away, and she presently does not intend to continue with the business that published the advertisement in question. After a brief discussion, Mr. Mandeville was directed to administratively close this matter.

VI Committee Reports

A CPA Examination Committee

John Tully reported on the five sites at which the exam is now being offered in the State of New Jersey.

In addition, Mr. Tully revisited the matter of whether or not the scope of the CPA exam should include questions and problems relating to International Financial Reporting Standards (IFRS). This matter was previously discussed at the Board's June meeting. After a lengthy discussion, a motion was made by John Tully, seconded by Robert Cagnassola, that the position of our Board shall be that IFRS should not be included on the CPA exam until its implementation is required by some recognized authority. The vote of the Board was unanimous.

B Ethics Committee

Keith Balla had no report for the Board.

C CPE Committee

John Tully reported that the committee met on June 17 and cleared out all pending files and acted on all outstanding issues.

D RMA Committee

Robert Cagnassola had no report for the Board.

E QE Committee

Robert Cagnassola reported that on July 7 a meeting was held with Larry DeMarzo, Deputy Director of the Division of Consumer Affairs, to discuss the current status of the proposed Peer Review regulations. Also in attendance at that meeting were Mr. Mandeville, DAG Palan, Regulatory Analyst Sheehan and SDAG Dick. Mr. Cagnassola reported that the regulations were moving through the Governor's office and it is anticipated that the final regulations will be approved by the Governor and finalized in the near future.

F Education Committee

Albertus Jenkins had no report for the Board.

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

Albertus Jenkins had no report for the Board.

K Monitoring Profession Committee

John Dailey had no report for the Board.

VIII Public Comments

Ralph Thomas informed the Board of the following events.

- September 30th- Society's Annual Career Night at the Pines Manor in Edison, NJ 3 pm to 7 pm.
- 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.
- June 8th-10th- Society's 6th Annual New Jersey Convention and Expo will be held at the Taj Mahal in Atlantic City.

In addition, Mr. Thomas reported that the Society's was co-sponsor of the Commerce and Industry Association's NJ Legislative One-on-One Dinner last month. Over 150 business leaders, CPAs and legislators attended the event.

Mr. Thomas then gave a brief report on the following legislation and regulatory activities in Trenton:

- Society leaders President Bob Marrone, Past President Jim Blake and former Government Accounting and Auditing Chair Michael Cesaro testified at committee hearings in support of S 480/A 2473 Appeal Bond Caps, S 2132/A2213 UEZ Rebate Process and S 1775/A 415 School Audit Deadline Extension. Mr. Thomas provided a brief update on each of these topics
- Tax Preparers Licensing Act- S 672 and A 2396. 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.
- The Society will be meeting with the State Treasurer, the newly appointed Director of the Division of Taxation and Deputy State Treasurer in a meet and greet to discuss 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, and issues, concerns and thoughts regarding enhancing the efficiency and effectiveness of the Division of Taxation.. As mentioned previously, the Society is concerned about 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.
- Since the June State Board of Accountancy meeting, the Society has continued to weigh in on National issues such as the FTC Red Flag Rules, Employment Tax Treatment of S Corporations, Financial Re-regulation and IRS Tax Preparer Registration. The Congressional Conference Committee that met to reconcile the Financial Re-regulation legislation came to an agreement on a bill that was very favorable to the profession on the following six major issues: establishment of a Consumer Protection Agency, Aiding & Abetting, Auditors of Broker-Dealers, SOX 404(b) (audits of internal controls), Independence of Standard Setting and Securities Lawsuits. The conference bill was passed by the full House and referred to the Senate for action. The Senate is expected to act and hopefully pass the bill in the next week so that it can be forwarded to the President for signing.

On a motion made by John Tully, seconded by Steven Weinstein , the Board voted to adjourn the Public Session meeting at 10:30 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry conducted July 8, 2010, three matters of Old Business. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director