

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
SEPTEMBER 19, 2013
HUDSON 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 Vice-President, Daniel Geltrude called the meeting to order at 9:40 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Richard C, Barlotta, PA	Present
Jorge A. Caballero, CPA	Present
John F. Dailey, Jr., CPA	Excused
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Dennis C. Meyerson, PA	Present
Hal Model, CPA	Present
Ainsley A. Reynolds, CPA	Present - Late 9:50 A.M.
Michael H. Runge, CPA	Present

Also present at the meeting were William Mandeville, Executive Director, Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Khaled Madin, Government Representative; Ralph Thomas, Executive Director, NJSCPA; Gerard Abbattista, President, Jeff Kaszerman, Government Relations, NJSCPA; Mike Polito, Past-President, NJSCPA; David Plaskow, Editor, NJSCPA Magazine; Matthew Kmetz, Felician College and Timothy Gonzalez, Felician College.

II Minutes of the Meeting of July 18, 2013

On a motion made by Jorge Caballero, seconded by Richard Barlotta, the Board voted to approve the July 18, 2013 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

Vice-President Geltrude had no report for the Board.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Old Business

A Christine Alevras

This matter was reviewed at the July 2013 Board meeting. The Board voted to send Ms. Alevras requesting that she inform the Board what her plans are once she has received an active CPA license.

On a motion made by Keith Balla, seconded by Michael Runge, the Board voted to approve Ms. Alevras request for reinstatement of her license. The vote of the Board was unanimous.

VI Request for Reciprocity

A Michael S. Pedulla

A request for reciprocity was received from Michael Pedulla. Mr. Pedulla was convicted of a felony in the State of New York.

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to send Mr. Pedulla a letter requesting that he inform the Board what services he provided during 1996 thru 2013 and which state was he practicing in. If the information Mr. Pedulla provides is in accordance with the Rules and Regulations, the Board President may allow the request for reciprocity to be approved. The vote of the Board was unanimous.

VII NASBA Matters

A Exposure Draft -Uniform Accountancy Act

The Chair directed that this matter be tabled until the October 17, 2013 Board meeting.

B Focus Questions

The Board along with Executive Director Mandeville answered the Focus Questions and the answers will be forwarded to NASBA.

C Quarter Communications

The Chair directed that this matter be tabled until the October 17, 2013 Board meeting.

D Highlights of the Board of Directors Meeting - July 26, 2013

The Chair directed that this matter be tabled until the October 17, 2013 Board meeting.

E Meeting of the Board of Directors - April 19, 2013

The Chair directed that this matter be tabled until the October 17, 2013 Board meeting.

F Conference Call of the Board of Directors - June 17, 2013

The Chair directed that this matter be tabled until the October 17, 2013 Board meeting.

VIII Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board.

B Ethics Committee

Jorge Caballero had no report for the Board.

C CPE Committee

Daniel Geltrude had no report for the Board.

D RMA Committee

The RMA Committee report was moved to Executive Session.

E Peer Review Oversight Committee

Sara DeSmith informed the Board that the Peer Review Oversight Committee held a meeting on July 18, 2013. Ms. DeSmith informed the Board that despite the efforts of getting the information out regarding Peer Review that firms are not responding. A letter should be sent out to the non-responders to inform them that they must submit the forms back. Two form letter have been drafted that are now being reviewed by DAG Palan and Executive Director Mandeville. September 30, 2013 is the cutoff date for firms to respond to the Peer Review request. There are currently 690 firms that have not responded and/or have not registered.

Ms. DeSmith also informed the Board that former Board member Andrew DuBoff will be visiting NJSCPA to observe the Peer Review results. Mr. DuBoff may attend one of the upcoming Board meetings.

F Education Committee

Ainsley Reynolds had no report for the Board.

G Reciprocity Committee

Michael Runge had no report for the Board.

H Nominating Committee

Keith Balla had no report for the Board.

I Statute/Rules/Regulations Committee

Keith Balla informed the Board that a response has been received from one of the colleges in New Jersey regarding the evaluation of education requirements letter that was mail out. This letter was forwarded to Regulatory Analyst Glasgow

for review.

J Monitoring Profession Committee

Keith Balla reported to the Board results of the Monitoring Profession Committee meetings held on August 19 and September 9, 2013.

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to approve the results of the Monitoring Profession Committee and issue the Uniform Penalty letters for the CPE auditing period 2009-2011. The vote of the Board was unanimous.

IX Public Comments

Reminder of Important Society Dates

- October 2nd, 2013- NJSCPA Annual Career Night, Pines Manor Edison, NJ
- October 24th & 25th- MP retreat at Crystal Springs Resort in Hamburg, NJ
- December 6th- Society's Board Meeting and Leadership Holiday Luncheon.
- June 4th-6th, 2014 NJSCPA Annual Convention & Expo at Bally's in Atlantic City, NJ

I would like to update Board members and staff on the following Society activities and initiatives:

The Society's CEO/ED along with seven State Society CEOs have been appointed to a newly established NASBA State Society Relations Committee. This Committee will work collaboratively to enhance relationships between NASBA, State Boards of Accountancy and State Societies and provide a mutual platform to discuss issues of importance to the regulation of the profession. The new Committee held its first meeting at NASBA's headquarters in Nashville, TN on September 4th.

The Society has issued letters to New Jersey's two Senators urging them to consider being co-sponsors of the Mobile Workforce Bill that will be introduced in the Senate. We also issued letters to members of the New Jersey Congressional delegation urging them to not support a tax proposal to eliminate the cash basis of accounting for partnerships and Sub Chapter S Corps of all sizes being advanced by the Chair of the House Ways and Means Committee. Partnerships and S Corps that are personal services companies and farming businesses would be impacted.

The Society will be meeting with Senator Gill's legislative aide to push getting S 2116, the Reciprocity Bill, posted for consideration at the next Senate Commerce Committee meeting. We will also try to have a meeting with Senator Scutari, Chair of the Senate Judiciary Committee, to discuss his issues and concerns regarding his reluctance to posting the Appeal Bond Caps bill the Society supports.

Proposed legislation advancing mandatory audit firm rotation has surfaced again. The bill is being proposed by Assemblywoman Munoz to require mandatory audit firm rotation after 5 years. The Society will be reaching out to this legislator to share its white paper and concerns regarding the proposed bill.

In addition to the items noted above, the Society is also monitoring legislation regarding independent contractors which requires formal contracts between the independent contractor and a company and imposes onerous record keeping requirements on companies/businesses engaging a contractor.

Finally, the Society issued a letter to the Attorney General's Office to seek clarification as to whether CPAs who perform forensic accounting services and/or other investigative services are required to obtain a license as a Private Investigator (PI). Per the Society read of the PI statutes, it would appear CPAs performing the above services shouldn't have to obtain a PI license.

On a motion made by Ainsley Reynolds and seconded by Richard Barlotta, the Board voted to adjourn the Public Session meeting at 10:35 A.M. to reconvene in Executive Session to discuss the results of the Investigative, Inquiry, RMA Recommendations, Request for CPE waiver, the PCAOB reports and seven Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director