

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
MARCH 23, 2006
SOMERSET ROOM

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. Andrew DuBoff, President of the Board, called the meeting to order at 9:35 A.M. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Present
John Dailey, Jr., CPA Present
Andrew DuBoff, CPA Present
Bennie Hadnott, CPA Present
Albertus Jenkins, Public Member Present
Donald Jump, CPA Present
Aubrey Kosson, CPA Present
Margaret Shoe, Public Accountant Present
Robert Sommer, Public Accountant Present
Peter Torok, Public Member Excused
John Tully, CPA, Government Member Present

Also present at the meeting were William Mandeville, Executive Director; Marianne Greenwald, Deputy Attorney General; Dale Nelson, CPA, Director of Accountancy; Melba Perez, Assistant to the Executive Director; Marie Lisa, Board Staff; Jonathan Eisenmenger, Board Staff; Ralph Thomas, Executive Director, NJSCPA; Henry Rinder, President, NJSCPA; Mike Polito, CPA, Past President, NJSCPA; James Bourke, President Elect, NJSCPA; David Plaskow, Editor, NJSCPA Magazine and Elias Kabous, Public Accountant.

II Minutes of the Meeting of February 23, 2006

On a motion made by Robert Sommer, seconded by Donald Jump, the Board voted to approve the February 23, 2006 Public Session minutes with corrections. The vote of the Board was 10 voting in favor with John Tully abstaining.

III President's Remarks

President DuBoff reported to the Board that the California Board had a meeting regarding the practice privilege rule in their State. This matter was resolved and out of state tax preparers do not have to register in the State of California as long as they are not soliciting new clients that reside in that state, are not entering the state to perform the tax preparation services, and do not imply that they are licensed or registered with the Board.

President DuBoff informed the Board that the AICPA has been struggling with peer review questions. In 1988 the AICPA had an agreement that peer reviews did not have to be transparent. This has been an ongoing issue at the AICPA. The AICPA Council will be asked to agree that peer review reports should be provided to State Boards in those states that require the reviews.

President DuBoff informed the Board that the PCAOB issued two releases on March 21. One release deals with the process used to determine if firms correct deficiencies and thus avoid public disclosure within 12 months; the other contains observations regarding the Big Four firms' responses to the initial (August 2004) inspection reports.

President DuBoff informed the Board that NASBA's Education Committee withdrew their proposal regarding the UAA regulations on the 150 hour program and referred the matter to a Task Force. The Task Force is heading up an effort that will eventually lead to a revised set of proposals.

President DuBoff informed the Board that a notice has been prepared regarding the current CPE requirements, including the issue of when any of the changes will become effective. The purpose of the notice is to prevent confusion on the part of licensees.

On a motion made by Robert Sommer, seconded by John Dailey, the Board approved the notice to be posted on the Board's website. The vote of the Board was unanimous.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V NASBA Matters

A Focus Questions

On a motion made by Keith Balla, seconded by Albertus Jenkins, the Board voted to authorize President DuBoff and Executive Director Mandeville to finalize the answers to the Focus Questions and submit them to NASBA. The vote of the Board unanimous.

VI Miscellaneous

A North Dakota State University

On a motion made by Robert Cagnassola, seconded by Donald Jump, the Board voted to send the North Dakota State University a copy of the Board's rules and regulations with a letter informing them that those are the mandates New Jersey follows. The vote of the Board was unanimous.

B Request for Reinstatement

On a motion made by Robert Cagnassola, seconded by John Dailey, the Board voted to approve the response letter to individuals requesting reinstatement. The vote of the Board was unanimous.

C Article: In the Public Interest

The Chair directed that this article be accepted as informational.

D Ralph Thomas - NJSCPA

The Board received a letter from Ralph Thomas, Executive Director of the New Jersey Society of CPAs regarding problems encountered by licensees with the renewal process.

Executive Director Mandeville responded that for the next renewal period all licensees will receive e-renewals with the option to call the IVR line to obtain a paper renewal if they do not have access to a computer to renew on-line. The Board agreed that by next renewal period, which will be in 2008, the electronic problems should be corrected.

Mr. Thomas questioned the Board if the same problems with firm registration should be anticipated to arise since firm registration must be renewed by June 30, 2006.

Mr. Thomas commented to the Board that this renewal has been a traumatic experience and the Board staff has done a tremendous job in handling the situation.

On a motion made by Robert Sommer, seconded by Bennie Hadnott, the Board voted unanimously to suggest to Mr. Thomas that he refer his comments to the Director of Consumer Affairs.

VII Committee Reports

A CPA Examination Committee

Aubrey Kosson had no report for the Board.

B Ethics Committee

John Tully had no report for the Board.

C CPE Committee

Robert Sommer had no report for the Board.

D RMA Committee

Robert Cagnassola had no report for the Board.

E QE Committee

Dale Nelson reported to the Board that a QE Committee meeting was conducted. Mr. Nelson also reported that he has received a resume from a licensee that may be a candidate to replace him.

F Education Committee

Bennie Hadnott had no report for the Board.

G Reciprocity Committee

Keith Balla had no report for the Board.

H Nominating Committee

Robert Cagnassola reported to the Board the following nominations to be voted on at the April 20, 2006 Board meeting:

President: John Tully

Vice President: Albertus Jenkins

Secretary: Donald Jump

Treasurer: Keith Balla

Elections will be held at the April meeting and at the May meeting the newly elected individuals will take office

I Statute/Rules/Regulations Committee

Donald Jump informed the Board that there would be a Rules and Regulations Committee meeting on March 28, 2006 and that a report would be available at the April Board meeting.

J Planning Committee

Margaret Shoe reported to the Board that a conference call was conducted to discuss the Certificate Ceremony. The consensus of the Committee was to continue conducting the Certificate Ceremony once a

year. The Ceremony should be held in the fall beginning at 7:00 P.M. It should be held at the PNC Arts Center in Holmdel, New Jersey or some other central New Jersey location near the Woodbridge Turnpike area exits 9 or 11, at a Hilton or Hyatt hotel. It can also be held at the NJPAC. A guest speaker from industry should be selected.

This matter was moved to Executive Session for further discussion.

K Monitoring Profession Committee

John Dailey had no report for the Board.

VIII Public Comments

Henry Rinder reported that 2,388 licensees were suspended in this renewal and he raised concerns over the renewal process and suspension of licensees.

Ralph Thomas reported that the new ethics course will be starting in the spring and that the Society is working to see that statutes are developed to require orientation of new CPAs.

Robert Cagnassola reiterated that becoming a licensee is a privilege not a right.

On a motion made by Donald Jump, seconded by John Dailey, the Board voted to adjourn the Public Session Board meeting at 11:15 A.M. to reconvene in Executive Session to discuss the results of the March 9, 2006 Investigative Inquiry, DAG Greenwald's case summaries, one request for temporary license extension, four requests for reinstatement, eight matters of Old Business, four matters of New Business and five Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director