

NEW JERSEY STATE BOARD OF ACCOUNTANCY

Public Session Minutes

April 17, 2003

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 Secretary of State's Office, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record and the Star-Ledger. Herb Lipman, President of the Board, called the meeting to order and the following roll call was taken:

Elizabeth Burns, CPA	Present
ERobert Cagnassola, CPA	Present
EAndy DuBoff, CPA	Present
EBennie Hadnott, CPA	Excused
EAubrey Kosson, CPA	Present
EHerb Lipman, CPA	Present
EAl Pisano, Esq., Public Member	Present
EGail Ryan, CPA	Present
EMargaret Hoe, Public Accountant	Present
ERobert Sommer, Public Accountant	Present
EJohn Tully, CPA, Government Member	Present

Also present at the meeting were Jay J. Church, Executive Director; Marianne Greenwald, Deputy Attorney General; Ralph Thomas, Executive Director, NJSCPA; Mr. Mike Polito, CPA Immediate Past President NJSCPA, John F. Dailey Jr., CPA, President, NJSCPA; James B. Evans Jr., CPA, President Elect, NJSCPA and two Students from Felician College, Department of Accounting, Rutherford, New Jersey.

I Minutes of the Meeting of March 20, 2002

The Board reviewed the minutes of March 20, 2002 and on a motion by Andy DuBoff, seconded by Robert Sommer, the Board approved the minutes with corrections. The vote of the Board was unanimous.

II President's Remarks

Herb Lipman, President of the Board, remarked on the Passover and Easter season.

The NASBA Regional Meeting will be in Louisville, Kentucky, June 4-6, 2003. Applications will be sent to new Board members who will go as guests of NASBA. Persons attending will be Andy DuBoff, Robert Cagnassola, Herb Lipman, Bennie Hadnott, Elizabeth Burns, Aubrey Kosson, Robert Sommer and Gail Ryan.

Prometric Test Centers are open to inspection by Board members prior to the examination date by filling

out forms that the Executive Director has available. Elizabeth Burns will visit the Deptford test site. Herb Lipman will visit the Edison test site along with Aubrey Kosson.

NASBA has requested nominations from the Boards of persons who want to participate on a NASBA Committee. Those requests must be in by May 12, 2003. Andy DuBoff took time to explain how the committee system works. Persons should be prepared to attend some meetings in Nashville, as well as participate in conference calls meetings which is the predominant form used. The average in one meeting face to face and two or three conference call meetings a year. Greater time commitments are required for members of the Examination Committee.

Andrew DuBoff commented on the recent Board of Directors meeting held in Austin, Texas. The PCAOB has named a new Chairman, William McDonough. The Justice Department has brought the first false certification charges under the Sarbanes/Oxley Act against the CFO of HealthSouth.

A keynote speaker for the Certificate Awards Ceremony has yet to be identified. Andy DuBoff will attempt to ask William Ezzell, AICPA President to speak and John Tully will talk to John McCormac, State Treasurer.

III Executive Director's Remarks

Jay J. Church had no remarks for the Board.

IV Requests for Waiver to take the Uniform CPA Examination

a Moustafa Ibrahim

Mr. Ibrahim submitted a letter requesting a waiver of the Board's 60 credit requirement for liberal arts in order to sit for the CPA Examination. Mr. Ibrahim received a baccalaureate degree from Alexandria University, Alexandria, Egypt in accounting, completing only 19 credits in liberal arts. He completed 104 credits in business and business-related courses.

On a motion by Robert Cagnassola, seconded by Elizabeth Burns, the Board voted to permit Mr. Ibrahim to sit for the exam as a 150-hour candidate, with no license being issued until 150 hours are completed. The vote of the Board was unanimous.

b Rajeshway Vuppala

Mr. Vuppala requested that he be granted a waiver of the Board's baccalaureate requirement on his undergraduate degree from Osmania University, India. Mr. Vuppala obtained a Masters of Business Administration degree from Wagner College in May 1994 and requested that degree be substituted for the baccalaureate in order that he may sit for the Uniform CPA Exam.

On a motion by Andy DuBoff, seconded by Margaret Shoe, the Board voted to allow him to sit as a 150 credit hour candidate. He must complete 150 hours prior to a license being issued. The vote of the Board was unanimous.

V Request for Waiver of Continuing Education Credits

a Pierre Salmon

John Tully recused himself from the discussion and vote on this matter.

The Board moved this matter into Executive Session in order to discuss confidential information. Decision to be reported in Public Session Minutes. Mr. Salmon responded to an earlier request from the Board to

provide medical evidence of the hardship that he claimed prevented him from obtaining sufficient CPE credits to register as an active certified public accountant in a letter reviewed by the Board in January 2003.

On a motion by Andy DuBoff, seconded by Elizabeth Burns, the Board voted to require that Mr. Salmon obtain the necessary credit to maintain an active license. He can go to "inactive" status until he finishes the requirements but must not hold out as a certified public accountant until he has activated his license. The vote of the Board was nine members voting in favor with John Tully recused from the discussion and vote.

b David L. Wasser

David Wasser submitted a letter requesting renewal of his certified public accountants license. Mr. Wasser was advised on March 25, 2003 that in order to reinstate, he must show proof of having completed 120 continuing education credits. This current letter indicated that he was researching his files to find the requested proof.

On a motion by Elizabeth Burns, seconded by Robert Sommer, the Board voted to instruct Mr. Wasser to cease and desist holding out as a CPA until he has provided the required proof of completion of 120 continuing education credits and filed a reinstatement application. The vote of the Board was unanimous.

VI Request for Waiver to Reciprocate License

a Sung-Hwan Ko

Mr. Ko requested the reciprocation of his license from the State of New York. Mr. Ko was evaluated and found to be short sixteen credits in liberal arts while attending Yonsei University from 1979-1983. He has since completed on MBA in finance from New York University, May 1995.

On a motion by Alfonso Pisano, seconded by John Tully, the Board voted to waive the sixteen credits in liberal arts and reciprocate his license from the State of New York based on his experience. The vote of the Board was unanimous.

VII Committee Reports

a CPA Examination Committee Report

Gail Ryan, Chairman, had no report for the Board.

b Ethics Committee Report

Gail Ryan, Chairman, reported that the ethics courses being presented are being monitored. An "interactive" course may be developed soon and the Executive Director was requested to list all inquiries received from out of state licensees.

c CPE Committee Report

Robert Sommer, Chairman, had no report for the Board.

d RMA Committee Report

Robert Cagnassola, Chairman, had no report for the Board.

e QE Committee Report

Robert Cagnassola, Chairman, reported that the Standing Committee has three new members and they will be at the next QE Committee meeting on May 1, 2003. Fifty qualified and adverse review have been sent

out. The Committee is asking them to submit CPE with reviews for an audit. Letters are going out to reviewers to participate in a one-day on June 25 and 26. An advertisement has been placed in the NJSCPA E-News.

On a motion by Robert Sommer, seconded by Andy DuBoff, the Board voted unanimously to request that Committee members be paid for their time at the same rate as the Board members.

f Education Committee Report

Aubrey Kosson, Chairman, had no report for the Board.

g Reciprocity Committee Report

Margaret Shoe, Chairman, reported that twelve states have replied to our request for updated information on their regulations. North Dakota has requested that we consider them as reciprocal since they have amended their statute to include 150 credit hours of education for eligibility to take the CPA Exam and they have a one year experience requirement.

On a motion by Margaret Shoe, seconded by Alfonso Pisano, the Board voted to accept North Dakota as reciprocal with the State of New Jersey. The vote of the Board was unanimous.

The Committee will meet to go over other states's submissions as they come in.

h Statutes/Rules and Regulations Committee Report

Andy DuBoff, Chairman, reported that the project to ammend the regulations concerning the computer based test (CBT) is progressing. Mary Anne Sheehan, Regulatory Analyst, will soon have a report for the Committee on the suggested changes sought. We are on track for the launch date of April 2004 of the CBT.

i Professional Liaison Committee Report

Andy DuBoff reported that there wan an Administration meeting in Nashville, April 16, 2003. NASBA Regional meetings will take place in June and he reported that there will be a white paper put out by NASBA after the Board of Directors Meeting in Austin, Texas with suggestions on how Boards could react to actions by the PCAOB.

NASBA's agreement with the states on CBT has provisions for the states to construct and use there own test sites. They do not have to use Prometric facilities. Guam has such an agreement and will develop, with the help of NASBA and Prometric its own test center. This could be a model for other states who don't have a lot of test centers and expect a large number of candidates to utilize the state for the exam. New Hampshire is another candidates since it receives numerous candidates from Europe.

NASBA has been negotiating a CPE Tracking System with Deloitte & Touche.

Preliminary discussions have begun on forming a national data base for licensees crossing state lines. A form was developed a year ago. An effective CPE tracking system would require that all 54 jurisdictions cooperate in the program.

j. Planning committee Report

Robert Sommer, Chairman, had no report for the Board.

VIII Elections of Officers

The Nominating Committee Chairman, Robert Sommer, requested additional nominations from the floor,

three separate times. Hearing no other nominations, the Chairman urged the Board to accept, by unanimous vote, the following nominated Board members as officers for the 2003-2004 Board Year.

On a motion by Robert Sommer and seconded by Alfonso Pisano, the Board voted to elect:

Herbert Lipman, CPA President
Andrew DuBoff, CPA Vice-President
Elizabeth Burns, CPA Secretary
John Tully, CPA, Government Member Treasurer

President Herbert Lipman thanked the Board for their confidence in re-electing this slate for another year. On reviewing the past year, the President stated that the Board has accomplished a lot.

The Board has avoided the cascading effect of Sarbanes/Oxley while moving towards continued protection of the public and the profession in the area of audit, compilation and review.

The board has gotten the Law and Ethics Course up and running for the coming renewal period.

We have new members that bring to the Board diversity of opinion and dedication to service.

We are about to launch the new computer-based test.

The President also wished to thank the Board staff and Deputy Attorney General Marianne Greenwald, for their assistance over the past year.

IX Public Comment

Ralph Thomas, Executive Director, NJSCPA, offered congratulations to the new officers of the Board of Accountancy on behalf of the Society and looks forward to a continuation of the good working relationship between the Society and the Board.

He commented on the Society's activities on behalf of students. The Scholarships Awards Ceremony was a success. The Society awarded eighty (80) scholarships, sixteen (16) to high schools students and sixty-four (64) to college students.

Mike Polito, Past President of NJSCPA offered an ethics course presentation at Beta Alpha Psi Program. They are pushing to have ethics programs introduced into college programs.

With the end to the busy season, the May programs of NJSCPA will begin again.

The Society will be reaching out to out-of-state licensees to attend Ethics courses and other types of courses being offered in New Jersey. New York and Pennsylvania licensees will be targeted. These will take place sometime in the summer.

On a motion by Robert Sommer, seconded by Elizabeth Burns, the Board voted to adjourn the Public Session at 11:10 A.M. in order to reconvene in Executive Session to discuss one (1) request for Board opinion, review of one (1) disciplinary action by the AICPA, one response to request for information, one SEC Investigation Report on, Four (4) reports from the Investigative Inquiry Committee and four (4) Consumer Complaints. The vote of the Board unanimous.

Respectfully submitted,

Jay J. Church
Executive Director