

NEW JERSEY STATE BOARD OF ACCOUNTANCY

Public Session Minutes
May 15, 2003

HILTON WOODBRIDGE HOTEL, ISELIN, NJ

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 Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record and the Star-Ledger. Herbert Lipman, President of the Board, called the meeting to order at 12:50 PM and the following roll call was taken:

Elizabeth Burns, CPA	Present
Robert Cagnassola, CPA	Present
Andrew DuBoff, CPA	Present
Bennie Hadnott, CPA	Present
Aubrey Kosson, CPA	Present
Herbert Lipman, CPA	Present
Alfonso Pisano, Esq., Public Member	Present
Gail Ryan, CPA	Present
Margaret Shoe, Public Accountant	Present
Robert Sommer, Public Accountant	Present
John Tully, CPA, Government Member	Present

Also present at the meeting were Elaine DeMars, Acting Executive Director; Marianne Greenwald, Deputy Attorney General; Dale Nelson, CPA, Director of Accountancy; Ralph Thomas, Executive Director, NJSCPA; John F. Dailey Jr., CPA, President, NJSCPA; Richard Van Volkenburgh, NJAPA; Mike Polito, CPA, Immediate Past President, NJSCPA; Jim Evans, CPA, President-Elect NJSCPA; Willie Lau, National Association of Tax Professionals.

On a motion made by Mr. Pisano and seconded by Mr. Tully, the board unanimously voted to move to Executive Session for the purpose of considering three Investigative Inquiries and four consumer complaints. Public Session was readjourned to 3:35 PM.

Minutes of the Meeting of April 17, 2003

The Board reviewed the minutes of the meeting of April 17, 2003 and on a motion by Alfonso Pisano, seconded by Robert Sommer, the Board voted to accept the minutes with corrections. The vote of the Board was unanimous.

I. President's Remarks

Herbert Lipman, President, introduced Elaine DeMars as the Acting Executive Director of the New Jersey State Board of Accountancy.

Elaine DeMars presented a summary of her responsibilities during her tenure with the State of New Jersey. She also invited members of the Board and the public to inform her of any outstanding issues or questions that require attention.

Upon an informal motion made by Mr. Kosson and seconded by Mr. Cagnassola, the Board voted to prepare a letter of appreciation to Mr. Jay Church for his service to the Board on the occasion of his retirement.

Mr. Lipman gave a report regarding the CPA Examination that took place on May 7 and 8, 2003 at two different locations. Mr. DuBoff advised the Board that there was a no-show factor of approximately twenty percent. Mr. Sommer reported that there were between 700 and 800 in attendance on the last day. Entry was denied to one candidate for arriving late. On the first day there was one exam packet missing. It was learned later that one candidate had two exam packets. The seal on the second one was not broken. On the second day there was a problem with the seating. Ms. Burns reported that the exam went well on both days although there was a water problem with the roof and there were birds flying around, which were removed during the lunch break.

Mr. Lipman reported on the Prometric Testing sites. There are six sites which contain 122 seats. Mr. Hadnott advised the Board that he will be visiting the Fairlawn site. Mr. Tully advised that he will be visiting the Hamilton location, Ms. Burns will visit the Deptford site and Mr. Lipman will visit the Edison site.

Mr. Lipman reported that he, Mr. DuBoff, Mr. Sommer, Ms. Burns, Mr. Hadnott, Ms. DeMars and Mr. Kosson will attend (Mr. Cagnassola may attend) the upcoming NASBA Regional Meeting in Louisville, Kentucky on June 4-6, 2003. Upon a motion by Mr. Pisano and seconded by Ms. Shoe the Board voted unanimously that Mr. Lipman will be the voting delegate.

Mr. Lipman advised that he will be reviewing the committee list and if anyone wants to change to another committee, please advise him.

Mr. Lipman spoke about the Sarbanes/Oxley Act.

Mr. Lipman commented on the Arizona Board's nominations for NASBA director-at-large positions which are three-year terms.

II. Executive Director's Remarks

Elaine DeMars had no remarks for the Board.

III. NASBA White Paper "A Streamlined Approach to Accounting Regulation"

Mr. DuBoff reported on the White Paper. He reported that the NASBA April Board of Directors' meeting was very good and the report that was generated was very well written, accurately reflecting the details of what transpired.

IV. Requests for Reciprocity of Out-of-State Licenses

a Glen S. Pekofsky

Mr. Pekofsky requested reciprocation of his license from the State of Arizona. The Board reviewed the Arizona license verification form that was sent and noted that Mr. Pekofsky's license expired on

March 31, 2003 yet the form (dated April 7, 2003) states that he is active and in good standing. The Board requested that the Executive Director call the Arizona Board and find out if there is a grace period for the license renewal period. The Board also discussed the requirement that Mr. Pekofsky should reinstate his license in the State of Arizona before requesting reciprocity in the State of New Jersey.

On a motion made by Robert Sommer, seconded by Alfonso Pisano the Board voted that the Executive Director call the Arizona Board to find out if there is a grace period for renewal of a license. Mr. Pekofsky should be reinstated administratively if it is confirmed that he had an active license at the time of application with New Jersey. The vote of the Board was 10 voting in favor with Mr. DuBoff abstaining.

V Committee Reports

a CPA Examinations Committee - Gail Ryan

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

b Ethics Committee - Gail Ryan

Ms. Ryan reported that she received the Ethics Course new sponsors' applications on May 15 and she will review them as soon as possible.

c CPE Committee - Robert Sommer

Robert Sommer, Chairman had no report for the Board.

d RMA Committee - Robert Cagnassola

Mr. Cagnassola reported that there were three candidates scheduled for the RMA examination review.

e QE Committee - Robert Cagnassola

Mr. Cagnassola reported that the Committee had a meeting on May 1st and it was very productive. The Standing Committee met with one individual who needed guidance and who needs a pre-issuance review on reports he will be issuing.

Dale Nelson reported that six (6) to eight (8) interns will be hired. The interns will be performing CPE audits and reviewing all firm applications that identified that they performed audits and compilations. Mr. Nelson also stated that New Jersey City University will give college credits to their interns working for the Accountancy Board.

f Education Committee - Aubrey Kosson

Mr. Kosson reported on his attendance at the Education Committee meeting of the New Jersey CPA Society on May 2. He informed the committee of the need to emphasize the distinction between use of the terms "industry" and "profession" in references to the practice of Accountancy and how the terms "accounting" and "accountancy" should be applied. He suggested that the initiative can begin in discussions with professional societies and respective members to highlight the fact that accountancy is a profession.

g Reciprocity Committee - Margaret Shoe

Following information on the mailing sent to all states, Ms. Shoe reported that California and any

other jurisdiction with changes will be reviewed for substantial equivalency. Virginia has responded that they will be making changes soon. At this time Virginia does not have reciprocity with New Jersey. Virginia has responded that it will be changing to the 150-hour requirement in 2006. .

Ms. Shoe advised that if anyone wants copies of the material in her possession they can get them from her.

Ms. Shoe also noted that the Committee would review the information to be published by NASBA after the regional meetings.

h Nominating Committee - Robert Sommer

Mr. Sommer had no report for the Board.

i Rules/Regulations Committee - Andrew DuBoff

The regulations for the computerized exam must be addressed. The NASBA Committee has proposed standard regulations for the Board to consider.

j Professional Liaison Committee - Andrew DuBoff

Mr. DuBoff had no report for the Board.

k Planning Committee - Robert Sommer

Mr. Sommer had no report for the Board.

VII Public Comments

Ralph Thomas welcomed Elaine DeMars as the new Acting Executive Director. Mr. Thomas offered help from NJSCPA to Mr. Nelson with the hiring of potential intern candidates. Mr. Thomas also reported that he attended the Educators' Meeting that Mr. Kosson and Mr. Church attended and that there will be another meeting at the end of the summer. He reported that 700 licensees have already taken the Law and Ethics course. He attended a meeting of the AICPA Peer Review Board and suggested that firms in the SEC Practice Section may be required to have two (2) Peer Reviews. Jack Dailey discussed the confusion that exists between NJSCPA dues and the State of New Jersey license fees.

On a motion made by Robert Cagnassola, seconded by Alfonso Pisano, The Board voted to adjourn the Public Session Board at 5:10 PM. The vote of the Board was unanimous.

Respectfully submitted,

Elaine L. DeMars
Acting Executive Director