

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
SEPTEMBER 21, 2006
HUDSON ROOM - 6TH FLOOR

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. John Tully, President of the Board, called the meeting to order at 9:30 a.m. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Present
John Dailey, Jr., CPA Excused
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 Present
John Tully, CPA, Government Member Present

Also present at the meeting were William Mandeville, Executive Director; Marianne Greenwald, Deputy Attorney General; Melba Perez, Assistant to the Executive Director; Marie Lisa, Board Staff; Jonathan Eisenmenger, Board Staff; Jaliela Wilson, Board Staff; Mike Polito, CPA, Past President, NJSCPA; David Plaskow, Editor, NJSCPA Magazine; Ralph Thomas, Executive Director, NJSCPA; Richard Van Volkenburgh, PA, NJAPA and Irene Douma, Professor, Montclair State University.

II Minutes of the Meeting of July 20, 2006

On a motion made by Andrew DuBoff, seconded by Robert Sommer, the Board voted to approve the July 20, 2006 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

President Tully informed the Board that the breakfast and lunch orders have been approved for \$10.00 per person per day. The difference between this amount and the actual cost will be paid from the money that is collected from Board Members.

IV Executive Director's Remarks

Executive Director Mandeville informed the Board that in mid August, he received an exception report for those licensees answering "No" to questions three or 4 on the renewal forms. There were approximately 260 individuals that answered "no" to having completed the CPE requirements, and, or the Ethics Course. These individuals were sent letters in August to inform the Board why the CPE has not been completed.

Executive Director Mandeville also informed the Board that 1441 individuals were randomly selected for CPE audits and sent letters giving them two weeks to respond. Many individuals sent letters back to the Board requesting extensions for various reasons. These individuals were given an additional two weeks to respond. When the required information is received, it will undergo a detailed review

Executive Director Mandeville informed the Board that subsequent to the detailed review, those licensees

who are compliant would receive a letter informing them that all the information has been received and nothing else is needed.

V Request for Waiver to Endorse License

A Joshua Abrahams

Joshua Abrahams is requesting a waiver to reciprocate his California license. Mr. Abrahams is lacking 14 semester hours in Accounting.

On a motion made by Bennie Hadnott, seconded by Donald Jump, the Board voted to grant Mr. Abrahams's request for reciprocity, based on N.J.S.A. 45:2B-53(b) subject to him signing an affidavit that he has completed the 120 CPE requirements.

The vote of the Board was nine voting in favor with Andrew DuBoff abstaining and Margaret Shoe opposing.

VI 2007 Meeting Schedule

On a motion made by Robert Sommer, seconded by Albertus Jenkins, the Board voted to approve the 2007 meeting schedule with corrections. The vote of the Board was unanimous.

VII NASBA Matters

A Transmittal of Education Committee Questionnaire

The Chair directed that the questionnaire be referred to the Education Committee. The Committee is to distribute results back to the entire Board prior to the October Board meeting, in order for the Board to take action at that meeting.

VIII Miscellaneous

A Andrew DuBoff - Article

The Board accepted as informational an article from the New Jersey CPA Magazine.

B Joan Rall

Correspondence was received from Joan Rall wherein she is requesting a waiver of education requirements based on her work experience in the practice of public accounting at Ernst & Young.

The Chair directed that a letter be sent to Ms. Rall informing her that she must either complete an application or submit more information regarding the waiver she is looking to obtain.

C Stanley Goldstein

Information was received from Stanley Goldstein wherein he is requesting guidance on New Jersey Administrative Codes, Sections 13:29-3.8 and 13:29-3.12.

The Chair directed that Mr. Goldstein be informed that the Board does not give legal advice, opinions or recommendations, and suggest that he contact the AICPA or the SEC to obtain information.

VIII Miscellaneous

A Richard Murray

Correspondence was received from Mr. Murray wherein he requesting whether or not he will receive credit for preparation of college courses that he has previously taught.

On a motion made by Robert Cagnassola, seconded by Robert Sommer, the Board voted to refer this matter to the CPE Committee for review and recommendation. This matter will be placed on the October agenda for action. The vote of the Board was unanimous.

IX Legislative Matters

A Criteria for Continuing Professional Education Sponsors - Notice Proposal

The proposal submitted was accepted as informational.

X Committee Reports

A CPA Examination Committee

Aubrey Kosson informed the Board that he would be providing the examination statistics at the next Board meeting.

Mr. Kosson also informed the Board that he had received authorization to visit the Prometric exam sites. These sites will be visited by Board members, and the results will be reported back to the Board.

Ralph Thomas questioned Mr. Kosson regarding a letter that was sent to him concerning the timing of students sitting for the CPA Exam. Mr. Kosson responded that he never received the letter. A copy was provided to him and the Chair directed that this would be placed on the October agenda along with the Committee's recommendations.

B Ethics Committee

Donald Jump informed the Board that he observed a web cast New Jersey Law and Ethics course at the Society's Roseland office in August, and that the committee would formulate procedures to be followed by all web casts of this course.

C Ethics Committee, continued

Mr. Jump also informed the Board that Professor Douma had provided the committee with a Law and Ethics course from Montclair State University. This course will be reviewed by the committee and reported on at the October Board meeting.

D CPE Committee

Mr. Sommer reported that he had received a number of letters regarding issues on CPE credits involving unregistered sponsors. This matter was moved to Executive Session for advice of counsel.

E RMA Committee

Robert Cagnassola informed the Board that the date for the RMA examination has been moved to Friday December 1, 2006, instead of the first Saturday in December as in previous years. The cutoff date to have the applications in will remain November 1, 2006.

F QE Committee

This matter was moved to Executive Session for advice of counsel.

G Education Committee

Bennie Hadnott informed the Board that the Transmittal of Education Committee Questionnaire would be reviewed by the Committee and presented back to the Board so that the answers may be submitted.

H Reciprocity Committee

Keith Balla informed the Board that he would circulate information regarding reciprocity to the committee and then to the Board members for discussion at the October meeting.

I Nominating Committee

Andrew DuBoff had no report for the Board.

J Statute/Rules/Regulations Committee

Andrew DuBoff informed the Board that he was in receipt of the Proposed Amendments to the CPE regulations. He will have a committee meeting and report to the Board at the October Board meeting.

K Planning Committee

Margaret Shoe had no report for the Board.

L Monitoring Profession Committee

No report was given.

XI Public Comments

Ralph Thomas, Executive Director of the NJ Society informed the Board that there will be a Career night on September 28, 2006 and between 200-300 accounting students will be attending. It will be held at the Pines Manor in Edison, New Jersey. All Board members are invited. He also informed the Board of the annual kick off of the High School Programs for Accounting will be November 13, 2006.

Mr. Thomas informed the Board that the NJSCPA holiday luncheon will be held on December 18, 2006 at their Roseland office, and that the annual meeting is scheduled for May 9-10, 2007 at the Taj Mahal, in Atlantic City.

Mr. Thomas questioned Executive Director Mandeville regarding the status of the QEC since there was no report given. Executive Director Mandeville reported that there is no update at this time regarding the QEC. Mr. Thomas also asked if there was any information on the Firm renewals or a possible meeting with the Department of Revenue on licensing issues. Mr. Mandeville responded that there was no information at this time.

Mr. Thomas asked if we are accepting either the NASBA tracker report or the NJSCPA Tracker report from those licensees selected for CPE audit. Mr. Mandeville responded that we are accepting any reports as long as they conform to the request for CPE forms.

The Chair asked Mr. Thomas about the proposed legislation regarding the orientation program. Mr. Thomas indicated that this legislation should be acted on prior to December 31, 2006.

Mr. Thomas thanked the Board for providing information for the Public meeting in advance.

Irene Douma, Professor, Montclair State University also thanked the Board for supplying the public with copies of the agenda and materials. Ms. Douma mentioned to the Board that the Board should request input from university faculties before answering the NASBA questionnaire.

Andy Duboff responded that NASBA was getting feedback from the Academic community.

Richard Van Volkenburgh, PA, NJAPA asked a question about the 150 hour rule and was informed by the Chair that an exam candidate may sit with 120 but in order to become licensed they must complete the 150 hours.

In response to a question from the public, President Tully informed Mr. Thomas that no one from the Board contacted Accounting Firms requesting names of Audit Partners.

On a motion made by Andrew DuBoff, seconded by Donald Jump, the Board Voted to adjourn the Public Session Board meeting at 11:10 A.M. to reconvene in Executive Session to discuss the CPE Committee report forwarded to Executive Session, the QE Committee report forwarded to Executive Session, to approve the Executive Session minutes of July 20, 2006, to discuss the results of the four Investigative Inquiry held on September 12, 2006, one NASBA matter, ten License Renewal applications, one Request for Reinstatement by Endorsement, six matters of Old Business, seven matters of New Business and five Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director