

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
NOVEMBER 17, 2005
HUDSON 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 9:40 A.M. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Present
John Dailey, Jr. Present
Andrew DuBoff, CPA Present
Bennie Hadnott, CPA Present
Albertus Jenkins, Public Member Present
Donald Jump, CPA Present
Aubrey Kosson, CPA Excused
Margaret Shoe, Public Accountant Late - 9:55 A.M.
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; Tobey Palan, Deputy Attorney General; Dale Nelson, CPA, Director of Accountancy; Melba Perez, Assistant to the Executive Director; Marie Lisa, Board Staff; Jaleila Wilson, Board Staff; Jonathan Eisenmenger, Board Staff; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, CPA, Past President, NJSCPA; Richard Van Volkenburgh, PA, NJAPA and Irene Douma, Professor, Montclair State University.

I Minutes of the Meeting of October 18, 2005

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

II President's Remarks

President DuBoff reported to the Board that he attended, along with Robert Cagnassola and Bennie Hadnott the NASBA 98th Annual Meeting in Tucson, Arizona from October 30 thru November 2, 2005. The theme of the conference was called "Connected" which covered a number of issues that NASBA has been dealing with. President DuBoff informed the Board that all the presentations were excellent. The PCAOB focused on the inspection process. The NASBA Education Committee proposed rules were also discussed. President DuBoff informed the Board that the rules have been withdrawn and have been assigned to a high level task force to reconsider them. It may take a while during 2006 to see any changes that have been made on these rules. Many comments were submitted to the NASBA Education Committee for consideration and now they have been sent back to the drawing board.

President DuBoff informed the Board that the NASBA UAA Committee and its AICPA counterpart have been working on the UAA statutes. This was a joint project. The revised UAA statutes are currently in the process of being finalized. President DuBoff will be chairing the NASBA UAA Committee for the year 2005-2006.

President DuBoff informed the Board that Diane Rubin is the new NASBA Chair for 2005-2006.

President DuBoff informed the Board that letters received from the State Boards of California, New York, Texas and other states involving various CBT issues (including the possibility of finding another examination provider) will be considered by a newly appointed NASBA CBT Task Force during the next year.

Mr. Cagnassola informed the Board that the NASBA Conference held in Tucson, AZ ran very well and in a timely fashion. He reported that President DuBoff, Mr. Hadnott and himself participated in all the sessions together. Mr. Cagnassola informed the Board that the PCAOB report is very comprehensive and detailed and the Board should consider taking a look at it and becoming familiar with it.

Mr. Hadnott informed the Board that the New York, Connecticut and New Jersey State Boards will be meeting in the future to discuss the ethics courses. Mr. Hadnott informed the Board that he would be serving on the NASBA Audit Committee. Mr. Hadnott also reported that the meeting was very well run and all the sessions were excellent.

President DuBoff discussed the Board meeting schedule for calendar year 2006. The following dates have been accepted by the Board.

January 26, 2006 July 20, 2006
February 23, 2006 August 17, 2006
March 23, 2006 September 21, 2006
April 20, 2006 October 19, 2006
May 18, 2006 November 16, 2006
June 22, 2006 December 21, 2006

III Executive Director's Remarks

Executive Director Mandeville informed the Board that the e-letter renewal form and the paper renewal form have been mailed out to everyone as of two weeks ago. To date, 2,600 online renewals have been completed.

IV Maryann Sheehan, Regulatory Analyst - 11:00 A.M.

On a motion made by John Dailey, seconded by Bennie Hadnott, the Board voted to approve the changes as presented. The vote of the Board was unanimous.

V Committee Reports

A CPA Examination Committee

No report was given.

B Ethics Committee

John Tully informed the Board that another ethics outline has been received and he will go over it with Dale Nelson, Director of Accounting.

C CPE Committee

Robert Sommer had no report for the Board.

D RMA Committee

Robert Cagnassola informed the Board that the RMA examination will be Saturday, December 3, 2005. To date there are ten individuals scheduled to take the exam.

E QE Committee

Robert Cagnassola informed the Board that he is concerned that the AICPA QEC reviewers continue to review firms without verifying that they are in possession of a valid state license. He said he was able to obtain oversight reports sent to the NJSCPA from AICPA and hoped to be able to obtain all of them in the future.

Mr. Cagnassola informed the Board that the next QE Committee meeting will be on December 1, 2005.

F Education Committee

Bennie Hadnott informed the Board that the exposure draft was discussed at the last NASBA meeting along with the ethics course. Mr. Hadnott also reported to the Board that most of the people in the meeting agreed that the ethics courses are very needed. He is waiting to receive the report of the meeting from NASBA.

G Reciprocity Committee

Keith Balla had no report for the Board.

H Nominating Committee

Robert Cagnassola had no report for the Board.

I Statute/Rules/Regulations Committee

Donald Jump informed the Board that no meeting has been held, but did inform the Board that he has various questions regarding the regulations and statutes governing applicants with 120 versus 150 credit hours and later transfer their applications to another State. Mr. Mandeville informed Mr. Jump that an individual may sit with 120 hours but must obtain 150 hours before becoming licensed in New Jersey. Mr. Jump also said the committee would consider the proposals to change CPE standards, but until the regulations are changed, the existing rules will remain in effect.

J Planning Committee

Margaret Shoe had no report for the Board.

K Monitoring Profession Committee

John Dailey informed the Board that the Monitoring Profession Committee is scheduled to have a meeting on November 29, 2005 at 9:30 A.M. in the Warren Conference room.

VI Public Comments

Ralph Thomas, Executive Director of the New Jersey Society invited all the Board members to the holiday luncheon on December 19, 2005. Mr. Thomas also informed the Board that there are 110 high schools that will be visited between this week and next week.

Mr. Thomas informed the Board that the AICPA Jersey City office is moving to North Carolina.

Irene Douma, Professor, Montclair State University informed the Board that the CPE requirements should be kept up to date and better communicated to every licensee in the State.

On a motion made by Robert Sommer, seconded by Albertus Jenkins, the Board voted to go into Executive Session at 11:00 A.M.

Respectfully submitted,

William Mandeville
Executive Director