

STATE OF MARYLAND  
**BOARD OF PUBLIC ACCOUNTANCY**  
**February 6, 2018**

**LOCATION:** 500 North Calvert Street  
Baltimore, Maryland 21202  
Third Floor Conference Room

**MEMBERS**

**IN ATTENDANCE:** Arthur E. Flach  
Phillip J. Korb  
Leslie Mostow  
Macon M. Ware, III  
Mary Campbell

**MEMBERS ABSENT:** James E. Marshall, Jr.  
Edward J. Helmstetter, Jr.

**DLLR OFFICIALS/STAFF:** Shanai Jordan, Executive Director  
Linda Rhew, Administrative Officer  
Matthew Lawrence, Counsel  
Norbert Fenwick, CE Consultant  
Michelle Roberts, Administrative Specialist III

**OTHERS PRESENT:** Thomas Hood, MACPA  
Mary Beth Halpern, MACPA  
Anthony Cuzzo, Jr., MACPA  
Alverta Steinwedel, MSATP

The February 6, 2018, meeting of the Maryland Board of Public Accountancy was called to order at 9:03 AM by Chairman of the Board, Arthur E. Flach.

Upon a motion **(I)** by Mr. Mostow, and seconded by Mr. Korb, the minutes of the December 5, 2017 meeting were approved with edits.

**Chairman's Report**

Chairman Flach congratulated Shanai Jordan on her recent appointment as Executive Director to the Maryland Board of Public Accountancy.

Chairman Flach discussed the NASBA CPE meeting he attended, stating they are pushing hard to change CE in regards to how and when it is to be taken. It was discussed that 20 credits of CE should be taken during each renewal period, of which 50% would be technical. It was suggested that two (2) hours of ethics be taken during each year during the license period. First time licensees would be required to take 40 in the two (2) year period leading to their first renewal.

Upon a motion **(II)** by Mr. Korb, and seconded by Mr. Mostow, the Board unanimously approved the Chairman's Report.

**Executive Director's Report**

Executive Director, Shanai Jordan, discussed and the Board approved moving the upcoming June 5, 2018, Board meeting to June 19, 2018, as members of the Board may be attending the NASBA Eastern Regional meeting in Orlando, Florida. Ms. Jordan also proposed to the Board and the Board approved to move the June meeting permanently to the third Tuesday in June to accommodate NASBA's Annual meeting as well as the gap of time until the August meeting (because there is no meeting of the Board in July).

Upon a motion **(III)** by Mr. Macon, and seconded by Mr. Korb, the Board unanimously approved the Executive Director's Report.

**Exam Appeals**

Nothing to Report

**Education Report**

Mr. Korb presented the Education Report. There was one (1) Transfer of Grades application approved that originated in Virginia. There were zero (0) Transfer of Grades denials. In reference to TOG-0118-01 the applicant was denied for lacking two of the required five course specific courses in the Group 2 business education requirements. Applicant TOG 0118-02 was denied for lacking 4 semester credit hours in financial accounting.

Upon a motion **(IV)** by Mr. Mostow, and seconded by Mr. Ware, the Board unanimously approved the Education Report.

Linda Rhew, Administrative Officer to the Board, presented a report concerning the manner in which other jurisdictions address and accept Advanced Placement credits for the educational requirements towards the Uniform CPA examination, as well as the processing of applications for the exam. The Board discussed and approved the exam applications being bifurcated to allow the applicant the opportunity to register for an exam section as soon as possible. Notification of what is required in order to meet the educational requirements towards licensure will be posted in the applicant's online exam application.

Upon a motion **(V)** by Mr. Mostow, and seconded by Mr. Ware, the Board unanimously approved the report on the bifurcation of the applications.

**Experience Report**

Ms. Campbell presented the Experience Report. There were fourteen (14) reciprocal applications approved and zero (0) reciprocal application denials. The fourteen reciprocal applications were applying based on their license from the following: CO-1, PA-1 and VA-12. There were thirty-nine (39) Maryland candidate license application approvals, zero (0) Maryland candidate application denials and zero (0) administrative closures.

Upon a motion **(VI)** by Mr. Ware, and seconded by Mr. Korb, the Board unanimously approved the Experience Report.

**Firm Permit Report**

Mr. Ware presented the Firm Permit Report. There were ten (10) MD firm permit applications approved, one (1) firm application closed as incomplete.

Upon a motion **(VII)** by, Mr. Korb, and seconded by Mr. Mostow, the Board unanimously approved the Firm Permit Report.

**Peer Review Oversight Committee Report**

Chairman Flach invited Anthony Cuzzo, Jr., Mary Beth Halpern and Thomas Hood to report on the yearly Peer Review Committee meeting. There has been a shift in the number of reviews being completed in Maryland and there appears to be a consolidation of reviews across the country. There is a 12 year low of reviews at this time.

Upon a motion **(VIII)** by, Mr. Korb, and seconded by Mr. Ware, the Board unanimously approved the Peer Review Oversight Committee Report.

**New Business**

The Board approved of the action and manner in which the staff handled the exam site closures that involved sites in December and January due to inclement weather. The Board also reviewed and approved staff recommendations for how exam site closures are handled in the future.

Upon a motion **(IX)** by, Mr. Korb, and seconded by Mr. Mostow, the Board unanimously approved the extensions due to the exam site closures.

The Board reviewed documentation submitted requesting an extension of an exam credit in relationship to the delay of the exam scores being released in the 3<sup>rd</sup> quarter and concluded the request did not meet the criteria and, therefore, the request was denied.

Upon a motion **(X)** by, Mr. Korb, and seconded by Mr. Mostow, the Board unanimously denied the extensions of an exam score extension request.

The Board reviewed documentation submitted in regards to a licensee's concern on being audited randomly, too closely and during the busy tax season. After review of the documentation the Board determined it is a random audit and the licensee is to comply with the audit request as instructed. An extension of time to comply is denied.

Upon a motion **(XI)** by, Mr. Korb, and seconded by Mr. Ware, the Board unanimously denied the request concerning a random audit and extension of time to respond.

Ms. Jordan reported on the CE requirements in other states. In summary, of the twelve responses received, two states currently require 50% of the CPE credit hours to be in technical subject areas. Two states have technical requirements of higher percentages, four states have no limitations, and two states limit the CE credit hours that can be earned through personal development courses. Ten states either do not require CPE to be taken in the first licensure period, or only require ethics to be taken. Lastly, two states are considering looking at requiring a percentage of CPE credit hours to be taken in technical subject areas in the near future.

**Old Business**

Modeling rules for continuing professional education (CPE) has been approved.

**Correspondence**

No Correspondence

**Executive Session**

Upon a motion **(XII)**, by Mr. Korb, and seconded by Mr. Mostow, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 11:23 AM. The purpose of this session was to consult with counsel. This session is permitted to be closed pursuant to Section 3-305(b)(7) of the General Provisions Article, Maryland Annotated Code. It returned to the regular business meeting at 12:06 PM upon a motion **(XIII)**, by Mr. Korb, and seconded by Mr. Mostow.

**Complaint Committee Report**

There was not a complaint committee report at this time.

**Executive Session**

In EX A – 0118, upon a motion **(XIV)**, by Mr. Korb, and seconded by Mr. Ware the Board unanimously approved the request for a reciprocal license application.

In EX B – 0118, upon a motion **(XV)**, by Mr. Korb, and seconded by Mr. Mostow the Board unanimously approved the request approved for license renewal.

In EX C – 0118, upon a motion **(XVI)**, by Mr. Mostow, and seconded by Ms. Powell the Board unanimously approved the request for a reciprocal license application.

In EX D – 0118, upon a motion **(XVII)**, by Mr. Mostow, and seconded by Mr. Korb the Board unanimously approved the request for an original license.

In EX E – 0118, upon a motion **(XVIII)**, by Mr. Korb, and seconded by Mr. Ware the Board unanimously approved the request for an extension of conditioned credits.

In EX F – 0118, upon a motion **(XIX)**, by Mr. Korb, and seconded by Mr. Ware the Board unanimously approved the request for an extension of conditioned credits.

In EX A – 0218, upon a motion **(XX)**, by Mr. Korb, and seconded by Mr. Ware, the Board unanimously approved the request for an extension of conditioned credits.

In EX B – 0218, upon a motion **(XXI)**, by Mr. Korb, and seconded by Mr. Ware the Board unanimously approved the request for an original license.

In EX C – 0218, no action taken other than to monitor.

Upon a motion **(XXII)** by Mr. Korb, and seconded by Mr. Ware, the Board adjourned at 12:16 PM.

**NEXT MEETING** March 6, 2018, 500 North Calvert Street, Third Floor, 9:00 AM

With corrections     Without corrections

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Chairman

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Date