

STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
April 5, 2016

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

**MEMBERS
IN ATTENDANCE:**

Arthur E. Flach
Clifton B. Jeter
Phillip J. Korb
Naomi Powell
Mac Claxton
Elizabeth Gantnier
Ross Ehudin

DLLR OFFICIALS/STAFF: Dennis L. Gring, Executive Director
Linda L. Rhew, Administrative Officer
Norbert Fenwick, CPE Consultant
Matthew Lawrence, Counsel
Tiffany Black, Office Secretary

OTHERS PRESENT: Mary Beth Halpern, MACPA
Sandy Steinwedel, MSATP

The April 5, 2016, meeting of the Maryland Board of Public Accountancy was called to order at 9:00 AM by, Chairman of the Board, Mr. Arthur E. Flach.

Upon a motion **(I)** by Mr. Phillip Korb, and seconded by Mr. Cliff Jeter, the minutes of the March 1, 2016, meeting were approved without corrections.

Chairman's Report

Mr. Arthur E. Flach reported that on May 3, 2016, there will be a peer review conference; however that is also the day of the May Board meeting. He stated that he is hoping to be able to participate in the conference via telephone. Upon a motion **(II)** by Mr. Mac Claxton and seconded by Ms. Naomi Powell the chairman's report was approved unanimously.

Executive Director's Report

The National Association of State Boards of Public Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) has announced that the new version of the Uniform CPA Examination will be launched on April 1, 2017. The Business and Environmental Concepts (BEC) and Regulation (REG) sections of the Exam will be increased to four hours. As a result, all four sections of the Exam will be four hours duration for a total time of 16 hours. The new Exam will increase the number of task-based simulations that are designed to assess candidates' higher-order cognitive skills. These simulations will include, but will not be limited to, critical thinking, problem solving and analytical ability.

Fees for the BEC and REG sections will need to be increased due to the additional hour of testing time for each. Additionally, starting with the examination window beginning April 1, 2016, ten additional days of testing will be available in June, September, December 2016 and March 2017. Complete details and other information will appear on the website.

Mr. Gring also reported that NASBA has issued its annual report of candidate performance on the Uniform CPA Examination for 2015. Maryland Candidate's performed lower than the national average in average score and percentage passing of examination sections last year.

PERCENTAGE PASS

| | OVERALL | FIRST TIME | RE-EXAM | AUD | BEC | FAR | REG |
|-----------------|----------------|-------------------|----------------|------------|------------|------------|------------|
| NATIONAL | 49.80% | 55.00% | 42.50% | 47.30% | 56.50% | 46.80% | 49.40% |
| MARYLAND | 43.40% | 48.80% | 37.50% | 40.40% | 50.30% | 41.40% | 42.80% |

AVERAGE SCORE

| | OVERALL | FIRST TIME | RE-EXAM | AUD | BEC | FAR | REG |
|-----------------|----------------|-------------------|----------------|------------|------------|------------|------------|
| NATIONAL | 71.9 | 72.6 | 70.9 | 72.7 | 73.8 | 70.0 | 71.3 |
| MARYLAND | 70.0 | 70.4 | 69.5 | 70.6 | 71.6 | 68.2 | 69.6 |

Upon a motion **(III)** by Mr. Ross Ehudin and seconded by Mr. Phillip Korb the Board approved the Executive Director's report.

Exam Appeals

The staff did not have any examination appeals for this meeting.

Education Report

Mr. Phillip Korb presented the Education Report. There were two (2) Transfer of Grades applications approved. There were two (2) Transfer of Grades denials.

Upon a motion **(IV)** by Mr. Ross Ehudin, and seconded by Ms. Naomi Powell, the Board unanimously approved the Education Report.

The Board considered the merits of whether the Board will award credit toward meeting the 120 hour requirement for examination candidacy or for the 150 hour requirement to an applicant for credit award through SAT testing. Upon a motion **(V)** by Mr. Ross Ehudin and seconded by Ms. Elizabeth Gantnier, the Board unanimously approved accepting SAT credits.

Brittany Henderson-King, NASBA's Associate Director of Business Development and Research for NASBA and Aequo International of has been invited to address the Board at its May business meeting. Ms. Henderson King will address academic credits being issued by non-collegiate entities as well as the growing practice of colleges awarding degrees to student that do not formally attend classes at the institution. This is a problem that is of concern to many other boards of accountancy, as well as, third party testing.

Experience Report

Ms. Powell presented the Experience Report. There were sixteen (16) reciprocal applications approved, zero (0) reciprocal application denials; and twenty – three (23) Maryland candidate license application approvals and zero (0) Maryland candidate application denials. There were nine (9) administrative closures.

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

Firm Permit Report

Mr. Mac Claxton presented the Firm Permit Report. There were seven (7) firm permit applications approved. There were zero (0) firm application denials.

Upon a motion **(VII)** by Ms. Naomi Powell, and seconded by Ms. Elizabeth Gantnier, the Board unanimously approved the Firm Permit Report.

Peer Review Oversight Committee Report

There will be a meeting directly following today's Board meeting with Mary Beth Halpern, MACPA and Sandy Steinwedel, MSATP, to discuss making changes to peer review regulations. Upon a motion **(VIII)** by, Ross Ehudin and seconded by Naomi Powell the Board unanimously approved the Peer review report.

New Business

Mr. Norbert Fenwick, CPA Auditor, brought to the attention of the Board that he would like to expand the disclosure of the website pertaining to CPE credits approved. Upon a motion **(IX)** by, Mr. Mac Claxton and seconded by Ms. Elizabeth Gantnier, the Board voted to modify the information on the website to emphasize that continuing education "must be a program or method of learning which contributes directly to the professional competence of an individual after this individual has been licensed to practice certified public accountancy."

Old Business

The Board considered the request of Ms. Deufeuh Monbo, of W P Tax and Accounting Group for a waiver from the peer review requirement for the 2012-2016 firm permit years. W P Tax Accounting and Accounting Group's firm permit is due to renew in June 2016. Upon a motion **(X)** by Ms. Elizabeth Gantnier and seconded by Mr. Cliff Jeter, the Board has denied the request for a waiver.

The Board discussed the complaint review process. The Litigation Section of the Office of the Attorney General will provide a briefing of the process with the Complaint Committee as soon as possible.

Correspondence

The Board did not have any Correspondence for this meeting.

Executive Session

Upon a motion **(XI)**, by Ms. Elizabeth Gantnier, and seconded by Ms. Naomi Powell, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 11:34 AM. The purpose of this session was to consult with counsel. This session is permitted to be closed pursuant to State Government Title Section 10-508 (a), (7). It returned to the regular business meeting at 11:38 AM upon a motion **(XII)**, by Ms. Elizabeth Gantnier, and seconded by Ms. Naomi Powell.

Complaint Committee Report

Mr. Jeter presented the Complaint Committee Report. Mr. Jeter reported that the Board received three (3 new consumer complaints and closed seven (7) consumer complaints: CPAS 16-0006, CPAS 16-0007, CPAS-16-0012, CPAS 16-0015; CPAS 16-0018, CPAS 16-0022, and CPAS16-0033.

Upon a motion **(XIII)**, by Mr. Mac Claxton, and seconded by Mr. Phillip Korb, the Board approved the Complaint Committee Report.

Upon a motion **(XIV)**, by Ms. Naomi Powell, and seconded by Mr. Cliff Jeter, the Board adjourned at 11:43 AM.

NEXT MEETING

May 3, 2016, 500 North Calvert Street, Third Floor, 9:00 AM

___ With corrections ___ Without corrections

Chairman

Date