

STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
BUSINESS MEETING MINUTES
May 1, 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
James E. Marshall, Jr.
Mary Campbell

MEMBERS ABSENT: Edward J. Helmstetter, Jr

DLLR OFFICIALS/STAFF: Shanai R. Jordan, Executive Director
Matthew Lawrence, Counsel
Norbert Fenwick, CE Consultant
Linda L. Rhew, Administrative Officer
Marlethia Black, Office Services Clerk

OTHERS PRESENT: Mary Beth Halpern, MACPA
Tom Bray, MSATP
Dennis Gring, Emeritus Executive Director
JP Krahel, Loyola University Maryland

The May 1, 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 April 3, 2018, meeting were approved with corrections.

Chairman's Report

Chairman Flach reported that starting in the summer of 2018, Prometric will begin using its new ProScheduler software. ProScheduler will enable candidates to use their phones and tablets to register and schedule their tests, and will enable candidates to search for a seat by date and location. Chairman Flach shared that there will be a discussion about the technology pathway to becoming a CPA at the regional meetings. The education, testing and license requirements would have to be as rigorous as the current requirements, so that the resultant CPA would be indistinguishable to the public from any other CPA. A joint task force between the AICPA and NASBA will continue to look at the technology pathway and what it will mean. In addition, Chairman Flach reported that House Bill 1597 passed in the House, with senate amendments. This bill would require certain Executive Branch Departments to report to the Governor and the General Assembly by October 1, 2018, on how many applications for occupational licenses and certificates were received during the preceding 5 years, how many of these applicants had a certain criminal record, how much time had passed since the

criminal conviction, how many applications were denied based on the applicant's crime record, and under which provision of law the license was denied.

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

Executive Director's Report

Ms. Jordan reported that she is in the process of interviewing candidates to fill the now vacant Assistant Executive Director position. She reminded the board that the NASBA Eastern Regional Conference is being held in Orlando, FL from June 4-8, 2018. All of the new Board members were approved for the NASBA scholarship to attend the conference. If any of the new Board members choose to attend, they will be reimbursed for their flight and lodging. Ms. Jordan also reminded the Board that their next meeting will be held on June 19, 2018.

Upon a motion **(III)** by Mr. Marshall, and seconded by Mr. Ware, the board unanimously approved the Executive Director's Report.

Exam Appeals

No exam appeals.

Education Report

Mr. Korb presented the Education Report. There were zero (0) Transfer of Grades applications approved. There was one (1) Transfer of Grades denial.

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

Experience Report

Ms. Campbell presented the Experience Report. There were eleven (11) Reciprocal applications approved, zero (0) Reciprocal application denials. The eleven reciprocal license applicants were licensed in the following states: IL-2, MI-1, NC-2, NY-1, TX-1, and VA-4. There were twenty-seven (27) Maryland candidate license application approvals, zero (0) Maryland candidate application denials and one (1) Administrative Closure.

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

Firm Permit Report

Mr. Ware presented the Firm Permit Report. There were zero (0) Maryland firm permit applications approved, and zero (0) firm applications closed.

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

Peer Review Oversight Committee Report

Chairman Flach discussed the following information concerning Peer Review:

- Having a CPA on staff was one of the more controversial areas of the new Peer Review Administration Program. It was determined that the skill set of a CPA was needed, and that it was important for a CPA to be a leader of the program.
- During 2018, the administering entities will be self-monitoring with the administering entity benchmarks, which become effective May 1, 2018.
- The PRIMA (Peer Review Integrated Management Application) tool is being used by administering entities, reviewers and firms to manage the peer review process and it will be used to monitor the benchmarks as well.
- The MACPA, as our administering entity, provided us with a list of 5 firms whose audits did not comply with the state's peer review program and we will begin investigating these firms.

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

New Business

a) Credit Extension Request – Meghan Immler

Ms. Immler submitted a written request asking to have the credits for FAR and AUD extended until October 2, 2018. After reviewing the documentation presented, the Board has approved Ms. Immler's request.

Upon a motion **(VIII)** by, Mr. Ware, and seconded by Mr. Mostow, the Board unanimously approved the request for the credits to be extended.

b) Credit Extension Request – Michael Falls

Mr. Falls submitted a written request asking to have the credits for BEC, REG and AUD extended until the end of the Q-4 window. After reviewing the documentation presented, the Board has approved the extension of the BEC credit only until October 7, 2018. The credit expiration dates for REG and AUD remain unchanged.

Upon a motion **(IX)** by, Mr. Mostow, and seconded by Mr. Korb, the Board unanimously approved the request for the credits to be extended.

The Board has asked staff to go back to see if we had previously denied requests in similar circumstances for the extension due to the delay in the grades released in 2017.

c) Mr. JP Krahel from Loyola University, Maryland, presented to the Board a presentation concerning the board approved accounting curriculum and the Board allowing students to apply to take the examination prior to a conferred degree being awarded to a student. Mr. Krahel proposed the requirements be changed to allow students to apply for the examination prior to receiving a conferred degree from the University as it created a hardship on the currently enrolled students due to the school not awarding a degree until later in the year.

Old Business

No Old Business.

Correspondence

- a) The Board discussed and clarified a letter from MACPA asking them to clarify the bifurcation process of an examination application. The board clarified that an applicant applying to sit for the Uniform CPA exam does not have to submit their AP/CLEP/IB score report in order to have their application reviewed to take the examination, unless those credits are being counted towards the 120 required semester credit hours. The candidate will need to request the AP/CLEP/IB scores be sent to the Maryland Board of Accountancy in order for them to be calculated towards the licensing requirements of 150 semester credit hours when the candidate applies for licensure.

Executive Session

Upon a motion **(X)**, by Mr. Marshall, and seconded by Mr. Korb, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 10:40 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 11:25 AM upon a motion **(XI)**, by Mr. Korb, and seconded by Mr. Ware.

Complaint Committee Report

Mr. Marshall reported the complaint committee has forty-nine (49) total complaints; thirty-three (33) CE Audit failures, five (5) PCAOB; (composed of three (3) PCAOB hearings and two (2) PCAOB current), eleven (11) outstanding from last FY.

Upon a motion **(XIII)** by Mr. Korb, and seconded by Ms. Campbell, the Board unanimously approved the Complaint Committee Report.

Executive Session

In EX B – 0418, upon a motion **(XIV)**, by Mr. Korb, and seconded by Mr. Marshall, the Board unanimously approved the refund request.

In EX A – 0518, upon a motion **(XV)**, by Mr. Mostow, and seconded by Mr. Ware the Board unanimously approved a reciprocal license due to a conduct issue.

In EX B – 0518, upon a motion **(XVI)**, by Mr. Mostow, and seconded by Mr. Korb the Board unanimously approved the renewal of a firm permit due to a conduct issue.

In EX C – 0518, upon a motion **(XVII)**, by Mr. Korb, and seconded by Mr. Ware the Board unanimously approved a renewal of a license due to a conduct issue.

Upon a motion **(XVIII)** by Mr. Korb, and seconded by Mr. Ware, the Board adjourned at 11:25 AM.

NEXT MEETING June 19, 2018, 500 North Calvert Street, Third Floor, 9:00 AM

With corrections Without corrections

**SIGNATURE ON
ORIGINAL DOCUMENT**

6/19/18
Date