

STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
September 13, 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
Ross Ehudin
Elizabeth Gantnier
Raymond Vicks, Jr.

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

OTHERS PRESENT: Mary Beth Halpern, MACPA
T S Bray, MSATP
Daniel Sandstrom, Chapin Owen & Sandstrom, PA
Joanne Yoo, Chapin Owen & Sandstrom, PA
Justin Michael Langan, Chesapeake Lodging Trust

The September 13, 2016, meeting of the Maryland Board of Public Accountancy was called to order at 9:13 AM by Chairman of the Board, Arthur E. Flach.

Upon a motion (1) by Ms. Naomi Powell, and seconded by Mr. Phillip Korb, the minutes of the August 2, 2016, meeting were approved without corrections.

Chairman's Report

Chairman Flach welcomed to the Board its newest member; Mr. Raymond Vicks Jr. Mr. Vicks introduced himself and shared his many years of experience. Chairman Flach made the Board aware that he and Mr. Gring would be attending the NASBA's Annual Meeting in Austin, TX from October 30 through November 2, 2016. The agenda for the meeting was distributed to the Board.

Executive Director's Report

Mr. Gring advised that the items that would constitute his report are items on today's agenda and that he would address them, if necessary, during the course of the meeting.

Exam Appeals

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

Education Report

Mr. Korb presented the Education Report. There were two (2) Transfer of Grades applications approved. There were zero (0) Transfer of Grades denials.

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

Experience Report

Ms. Powell presented the Experience Report. There were eighteen (18) reciprocal applications approved, zero (0) reciprocal application denials; and twenty - six (26) Maryland candidate license application approvals and there were zero (0) candidate application denials. There were zero (0) administrative closures.

Upon a motion (III) by Ms. Gantnier and seconded by Mr. Jeter, the Board unanimously approved the Experience Report.

Firm Permit Report

Mr. Korb presented the Firm Permit Report. There were three (3) firm permit applications approved. There were zero (0) firm application denials.

Upon a motion (IV) by Ms. Powell, and seconded by Mr. Jeter, the Board unanimously approved the Firm Permit Report.

Peer Review Oversight Committee Report

Mr. Flach presented his draft of the Board's response and comments to the AICPA's proposed changes to the peer review process. The Board reviewed and recommended changes and additions to the draft response. Mr. Flach indicated that he would revise the draft and circulate a second draft to the Board members shortly after the meeting. Mr. Flach said that if all of the Board members concurred in the revised draft it would be sent to Beth Thoresen, AICPA's Director- Peer Review Operations prior to the Board's October 4, 2016, meeting.

Upon a motion (V) by Ms. Powell and seconded by Mr. Jeter the Board unanimously approved the Peer review report.

New Business

Mr. Justin Langan addressed the Board to request that the Board support changing the qualification for a CPA license to permit practical experience to be used in lieu of the 150 semester credit hour education requirement. Mr. Lawrence stated that this subject is a matter best presented to the Maryland legislature, not to the Board.

Ms. Joanne Yoo also requested that the 150 credit requirement be waived in lieu of practical work experience. Mr. Lawrence advised that the Maryland Public Accountancy Act does not grant the Board with the authority to replace education requirements with experience. This appropriate forum to present this matter is to the Maryland General Assembly.

The 2017 Business meeting schedule was presented. The Board's schedule of meetings for 2017 is:

Tuesday, January 10, 2017	No July Meeting
Tuesday, February 7, 2017	Tuesday, August 1, 2017
Tuesday, March 7, 2017	Tuesday, September 12, 2017
Tuesday, April 4, 2017	Tuesday, October 3, 2017
Tuesday, May 2, 2017	Tuesday, November 7, 2017
Tuesday, June 6, 2017	Tuesday, December 5, 2017

The Board discussed a record retention policy for CPA Examination candidate files dating back to 1988. Mr. Lawrence suggested that the Board consider amending the regulations governing examination applications in light of changes in the education requirements over the years.

Old Business

Upon a motion **(VI)**, by Ms. Gantnier, and seconded by Mr. Jeter, the Board unanimously took final action of the repeal of the \$25.00 fee for license verifications as established by COMAR 09.24.01.09 P. The proposed regulation repealing the fee for license verifications was published in the June 24, 2016 Maryland Register. The Board did not receive any comments during the public comment period. It is expected that the repeal will take effect on October 10, 2016.

Mr. Korb and Mr. Gring discussed the ongoing study of Maryland candidate performance on the Uniform CPA Examination. The purpose of the study is to determine the relationship of the minimum education qualifications established by each of the state boards of public accountancy and candidate performance on the Uniform CPA examination. Mr. Korb distributed a breakdown of each state board of accountancy's education requirements for qualification to sit for CPA examination. This information will be entered into a database and compared to the performance of each state's candidates to determine any correlation between passing rates and average scores on each examination part.

Correspondence

The staff did not have any correspondence for the Board's consideration at this meeting.

Executive Session

Upon a motion **(VII)**, by Ms. Powell, and seconded by Mr. Ehudin, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 10:15 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 10:50 AM upon a motion **(VIII)**, by Ms. Powell, and seconded by Mr. Ross Ehudin.

Complaint Committee Report

Mr. Jeter presented the Complaint Committee Report. Mr. Jeter reported that the Board opened 19 complaints (15 consumer and four (4) continuing education audit failures). The Board closed 18 complaints: CPAS 16-0014, CPAS 16-0021, CPAS 16-0030, CPAS 16-0032, CPAS 16-0047, CPAS 16-

0049, CPAS 16-0050, CPAS 2017- 02, CPAS 2017-04, CPAS 2017-06, CPAS 2017-08, CPAS 2017-11, CPAS 2017-13, CPAS 2017-20, CPAS 2017-21, CPAS 2017-22, CPAS 2017-30, and CPA 2017-31.

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

In **EX-A 0916**, upon a motion (X) by Mr. Korb, and seconded by Ms. Gantnier the Board approved the license renewal application of an applicant who answered "Yes" to a conduct question.

Upon a motion **(XI)**, by Ms. Gantnier, and seconded by Ms. Powell, the Board adjourned at 10:56 AM.

NEXT MEETING

October 4, 2016, 500 North Calvert Street, Third Floor, 9:00 AM

With corrections Without corrections

Arthur E. Slaw
Chairman

10/4/16
Date