

**STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
BUSINESS MEETING MINUTES
May 7, 2019**

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

MEMBERS

IN ATTENDANCE: Arthur E. Flach, Chair
Leslie Mostow
Phillip J. Korb
Macon M. Ware, III
Edward J. Helmstetter, Jr
Mary Campbell
James E. Marshall, Jr.

MEMBERS ABSENT: None

DLLR OFFICIALS/STAFF: Shanai Jordan, Executive Director
Christopher Dorsey, Assistant Executive Director
Matthew Lawrence, Legal Counsel
Norbert Fenwick, CE Consultant
Linda L. Rhew, Administrative Officer

OTHERS PRESENT: Mary Beth Halpern, MACPA
Alberta Steinwedel, MSATP
Tom Bray, MSATP

The May 7, 2019, meeting of the Maryland Board of Public Accountancy was called to order at 9:00 AM by Chairman of the Board, Arthur E. Flach.

Upon a motion (I) by Mr. Helmstetter, and seconded by Mr. Korb, the minutes of the April 2, 2019, meeting were approved with corrections.

Chairman's Report

Chairman Flach reported to the Board that Governor Hogan signed the Firm Mobility Bill HB 1081 & SB 513 on April 30, 2019.

In addition Chairman Flach reported on Anti-Regulation and stated that during the last legislative session, many states saw an increase in anti-regulation bills aimed at curbing the authority of state boards of accountancy.

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

Executive Director's Report

Ms. Jordan was previously asked to look through the Board's minutes from 2011 to determine the Board's reasoning for reducing fees at that time. She reported that in August and September of 2011, the Board made this decision as there was a surplus of Board funds, making it unnecessary to continue to charge current licensing fees. Ms. Jordan also reported that the board members that were interested in attending the NASBA conference in June (Mr. Flach, Mr. Marshall, and Mr. Mostow) were approved to attend, and that the registration fees have been paid. Ms. Jordan will also begin to work on the next newsletter.

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

Exam Appeals

There were no exam appeals this month.

Education Report

Mr. Korb presented the Education Report. There were two (2) Transfer of Grades applications approved. The Transfer of Grades applications originated from CA-1, and VA-1. There were two (2) Transfer of Grades application denials as follows:

TG-0519-01 was denied for lacking three (3) semester credit hours in ethics and 14.92 of the required 150 semester credit hours for licensure.

TG-0519-02 was denied for lacking three (3) semester credit hours in ethics and 11 of the required 150 semester credit hours for licensure.

There were six (6) Transfer of Grades administrative closures for being incomplete.

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

Experience Report

Ms. Campbell presented the Experience Report. There were 14 (fourteen) Reciprocal applications approved, zero (0) Reciprocal application denials. The 14 (fourteen) Reciprocal license applicants were licensed in the following states: NJ-1, CO-1, PA-1, NY-1, PR-1, OH-1, NC-1, VA-3, FL-1, MA-1, MI-1 and AZ-1. There were twenty-four (24) Maryland candidate license application approvals and zero (0) Maryland candidate application denials.

Upon a motion (V) by Mr. Helmstetter, and seconded by Mr. Mostow, the Board unanimously approved the Experience Report.

Firm Permit Report

Mr. Ware presented the Firm Permit Report. There were four (4) firm permit applications approved. One (1) originated from PA and three (3) from MD. One (1) firm application was closed for being incomplete.

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

Peer Review Oversight Committee Report

Chairman Flach presented the peer review report to the Board, in which he stated, he attended the AICPA Peer Review Board Open Session via teleconference on Friday May 3, 2019. The following agenda was presented:

- Discussion of Revisions to Chapter 3 of the Oversight Handbook* - Mr. Bluhm
- Approval of Guidance Changes Related to Hearing Panel Referrals* - Mr. Pope
- Approval of Guidance Changes Related to Document Retention* - Mr. Pope
- Task Force Updates*
 - Education and Communication Task Force Report – Ms. Kerber
- Reviewer Pool Discussion*
 - Standards Task Force Report – Mr. Pope
- Update on Clarified Peer Review Standards*
 - Oversight Task Force Report – Mr. Bluhm
- Brief Update on IAASB Quality Management Exposure Draft** - Mr. Freundlich
- Operations Director’s Report** – Ms. Thoresen
- Report from State CPA Society CEOs** – Ms. Birmingham
- Update on National Peer Review Committee** – Mr. Fawley
- Other Business** - Mr. Parry
- For Informational Purposes*:
 - Report on Firms Whose Enrollment was Dropped or Terminated*
 - Future Open Session Meetings**
 - August 2019 Open session [Date TBD] – Teleconference
 - October 24, 2019 Open session - Teleconference

Much of the discussion centered on transparency and the revisions to Chapter 3.

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

New Business

The Board received a request for a peer review waiver until September 2019 as the Peer Review will be completed at that time and this is the firm’s first renewal. Per the Board’s policy the firm can renew on time and put the expected date of receiving the peer review letter from the peer reviewer. The firm will be required to submit the peer review acceptance letter 30 days after it has been completed.

Upon a motion **(VIII)** by Mr. Mostow and seconded by Mr. Helmstetter, the Board unanimously approved the Peer Review extension request.

Mr. Mostow brought up for discussion the changes in education concerning data analytics. He suggested that we include in our Subject Matter under Auditing suggested titles, “Auditing with Automated Procedures and Analytics” to be acceptable for auditing.

Upon a motion **(IX)** by Mr. Marshall and seconded by Mr. Ware, the Board unanimously approved the addition of this title to be added to the Auditing subject matter as an approved title.

Old Business

There was no Old Business this month.

Correspondence

There was no Correspondence this month.

Executive Session

Upon a motion **(X)**, by Mr. Helmstetter, and seconded by Mr. Korb, the Board went into a closed Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 9:40 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 9:45 AM upon a motion **(XI)**, by Mr. Helmstetter, and seconded by Mr. Korb.

Return to Open Session

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

In EX-A0519, upon a motion **(XIII)** by Mr. Korb, and seconded by Mr. Mostow, the Board unanimously approved the extension of exam credits request.

In EX-B0519, upon a motion **(XIV)** by Mr. Marshall, and seconded by Ms. Campbell, the Board unanimously approved the release of an original reciprocal applicant's license due to a conduct question.

Upon a motion **(XV)** by Mr. Korb, and seconded by Mr. Helmstetter, the Board adjourned at 9:49 AM.

NEXT MEETING June 18, 2019, 500 North Calvert Street, Third Floor, 9:00 AM

With corrections Without corrections

SIGNATURE ON
ORIGINAL DOCUMENT

Chairman

6/18/19

Date