

STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
August 2, 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

MEMBERS ABSENT: Elizabeth Gantnier

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
Sandy Steinwedel, MSATP
Dr. David J. Emerson, PhD, CPA, CGMA – Assistant Professor
Department of Accounting and Legal Studies, Salisbury University
Kate Thompson, Maryland State Ethics Commission

The August 2, 2016, meeting of the Maryland Board of Public Accountancy was called to order at 9:16 AM by Chairman of the Board, Arthur E. Flach.

Upon a motion (I) by Mr. Jeter, and seconded by Mr. Ehudin, the minutes of the June 7, 2016, meeting were approved with corrections.

Chairman's Report

Chairman Flach reported that Mac Claxton's term has expired. The Board commended Mr. Claxton for his services as a member of the Board and representative on several committees of the National Association of State Boards of Accountancy (NASBA). A new Board member, Raymond Vicks, Jr., has been appointed by the Governor. Mr. Arthur Flach was reappointed for three (3) years. Mr. Jeter was reappointed for one (1) year. Ms. Gantnier remains on the Board at this time. There is no word, yet, from the Governor's Appointments Office on any other appointments.

The Board rearranged the agenda to hear a presentation by Professor David Emmerson of Salisbury University. Dr. Emmerson requested that the Board support legislation to permit individuals who have completed the 120 semester hour requirement and Group I courses but have not received a baccalaureate degree to sit for the Uniform CPA Examination. Current law requires an applicant for the CPA examination to have earned at least a baccalaureate degree before becoming eligible to take the examination. Dr. Emerson is seeking the Board's support of legislation to permit applicants who

have met the 120 semester hour requirement to sit for the examination even though they have not actually had the baccalaureate degree conferred.

Executive Director's Report

Mr. Gring reported that the Board has received more than 500 applications for the Uniform CPA examination this spring and summer. He also reported that a research project is underway to determine whether there is any correlation between the minimum education requirements established by state boards of accountancy and passing scores/passing rates nationally. Mr. Gring expects the research to be completed prior to the September 13, 2016 Board meeting. Mr. Gring also advised the Board that beginning July 1, 2016, an online complaint form was made available to consumers. The paper form has been discontinued.

Mr. Gring also reported that the Board's proposed action to repeal the fee for license verification requests was published in the June 24, 2016 issue of the Maryland Register. The Board is scheduled to take final action on this proposed action at the September 13, 2016 meeting. The proposal would then take effect on or about October 1, 2016.

Exam Appeals

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

Education Report

Mr. Korb presented the Education Report. There was one (1) Transfer of Grades application approved. There were three (3) Transfer of Grades denials:

TGD-0816-01 was denied due to lacking a three (3) semester credit hour course in ethics

TGD-0816-02 was denied due to lacking 11.5 of the required 150 semester credit hours for licensure.

TGD-0816-03 was denied due to lacking 23 of the 150 required semester credit hours.

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

Experience Report

Ms. Powell presented the Experience Report. There were twenty-eight (28) reciprocal applications approved, zero (0) reciprocal application denials; and seventy (70) Maryland candidate license application approvals and there were no candidate application denials. There were two (2) administrative closures.

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

Firm Permit Report

Mr. Korb presented the Firm Permit Report. There were eight (8) 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.

The Board recessed the meeting at 10:05 AM for training in Maryland State Ethics by Assistant Deputy Counsel for the State Ethics Commission, Ms. Katherine P. Thompson. The regular business meeting of the Board resumed at 10:50 AM.

Peer Review Oversight Committee Report

The members of the Board reviewed and discussed the July 18, 2016 supplement to AICPA's *Proposed Evolution of Peer Review Administration*. The AICPA is requesting comments on the proposal by October 31, 2016. Mr. Flach advised the Board that he would draft comments to be sent to the AICPA for discussion by the Board at the September 13, 2016 meeting.

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

New Business

The Board did not have any new business for this meeting.

Correspondence

NASBA, AICPA and Prometic have advised the Board of the increases in fees for the Regulation and Business and Environmental Concepts sections of the Uniform CA Examination. These increases reflect an increase in duration from three hours to four hours. Beginning in January 2017, the fees for each of the four examination sections will be equal.

Executive Session

Upon a motion **(VI)**, 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 10:57 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 11:31 AM upon a motion **(VII)**, 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 received seven (7) new consumer complaints and two (2) closed consumer complaints. There were six (6) continuing education complaints referred. There was one (1) complaint going to investigation.

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

Upon a motion **(IX)**, by Mr. Korb, and seconded by Mr. Jeter, the Board adjourned at 11:43 AM.

NEXT MEETING

September 13, 2016, 500 North Calvert Street, Third Floor, 9:00 AM

With corrections Without corrections

Chairman

Date