

**STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
BUSINESS MEETING MINUTES
February 2, 2021**

LOCATION: Google Meets Teleconference

MEMBERS

IN ATTENDANCE: James E. Marshall, Jr., Chair
Macon M. Ware, III, Secretary
Dr. Jan L. Williams
Barrett E. Young
Leslie Mostow
Joe Petito
Brian Dunne

MEMBERS/STAFF

ABSENT: Norbert Fenwick, CE Consultant

DLLR OFFICIALS/STAFF:

Gregory Morgan, Commissioner
Shanai Jordan, Executive Director
Christopher Dorsey, Assistant Executive Director
Matthew Lawrence, Legal Counsel
Linda L. Rhew, Administrative Officer
Alex Quinn, Investigator

OTHERS PRESENT:

Mary Beth Halpern, MACPA
Michael Manspeaker, MPRC
Bill Feehley, MSATP

The February 2, 2021, meeting of the Maryland Board of Public Accountancy was called to order at 9:00 AM by Chairman of the Board, James E. Marshall, Jr.

Upon a motion **(I)** by Mr. Ware, and seconded by Mr. Mostow, the minutes of the January 5, 2021, meeting were unanimously approved without corrections.

Chairman's Report

Chairman Marshall asked the Board members to review the Uniform CPA Examination, Proposed Pilot of Remote Proctoring of CPA examination: Update and FAQs for Boards of Accountancy that he sent to each Board member, as there will be a follow up with another paper asking to accept the test scores for the participants that tested using this trial method.

Chairman Marshall will be attending the NASBA mid Atlantic Regional meeting, virtually, on February 10, 2021. He also reminded Board members the financial disclosure reports deadline is April 30, 2021.

Chairman Marshall congratulated Tom Hood on his new position as Executive Vice President of Business Growth and Engagement with the Association of International Certified Professional Accountants.

Chairman Marshall suggested an article be included in the next newsletter alerting licensees there is an uptake in fraudulent emails attempting to gain client data. He stated the emails look very legitimate.

Upon a motion **(II)** by Mr. Mostow, and seconded by Mr. Petito, the Board unanimously approved the Chairman's report.

Executive Director's Report

Ms. Jordan stated the open meeting link has been updated and will remain the same throughout the year. She also mentioned that Senate Bill 141, concerning corrections to the names of the accrediting bodies in the Maryland Public Accountancy Law, has proceeded through the third reading and will hopefully be enacted.

Upon a motion **(III)** by Mr. Young, and seconded by Dr. Williams, the Board unanimously approved the Executive Director's report.

Exam Appeals

There were no exam appeals.

Education Report

Dr. Williams presented the Education Report. There was one (1) Transfer of Grades application approval. The approved transfer of grades application originated from ME. There were zero (0) transfer of grades application denials.

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

Experience Report

Mr. Mostow presented the Experience Report. There were eleven (11) Reciprocal applications approved, zero (0) Reciprocal application denials. The eleven (11) Reciprocal applications that originated from the following states: 1-AZ, 1-IL, 1-MA, 2-NC, 1-NJ, 3-VA, 1-WA and 1-WV.

There were twenty-four (24) Maryland candidate license application approvals and zero (0) Maryland candidate application denials.

Upon a motion **(V)** by Mr. Dunne, and seconded by Dr. Williams, the Board unanimously approved the Experience Report.

Firm Permit Report

Mr. Dunne presented the Firm Permit Report. There was one (1) Maryland firm permit applications approved with offices located in Maryland. There were zero (0) firm permit applications closed.

Upon a motion (VI) by Mr. Petito, and seconded by Mr. Ware, the Board unanimously approved the Firm Permit Report.

Peer Review Oversight Committee Report

Mr. Ware reported the following have occurred beginning January 1, 2021 and ending January 31, 2021: One (1) new firm has enrolled in the Peer Review Program since January 1, 2021; 18 (eighteen) firms have had reviews accepted since January 1, 2021; zero (0) firms have failed since January 1, 2021; three (3) firms were dropped or terminated due to scheduling information not being received since January 1, 2021; and one (1) firm has passed with deficiencies since January 1, 2021.

Upon a motion (VII) by Mr. Young, and seconded by Dr. Williams, the Board unanimously approved the Peer Review Report.

New Business

A - Mary Beth Halpern from MACPA introduced, Mike Manspeaker, who presented the annual Peer Review report to the Board. He provided some history of peer review in Maryland to the new Board members. He shared that Peer Review began in Maryland in 2009 as a requirement. Five hundred and fifty (550) firms in Maryland provide peer reviews.

Mr. Manspeaker explained that when a firm undergoes peer review, they engage a qualified peer review firm, whose qualifications are determined by the peer review committee and AICPA. It is based on the qualifications of the peer reviewer and the firm. When the peer review is complete it goes through an extensive administration process to be certain the firm has gone through the peer review process properly and make sure all peer review standards have been complied with, and to be certain there is consistency with the peer review reporting process. That administration process is conducted by the AICPA National Peer Review committee or by one of the state administering entities. Prior to January 1, the MACPA was one of the administering entities. As the peer review process has evolved stake holders are protected by the new rules put into place, and that quality work is being performed.

Maryland and North Carolina saw an opportunity to create synergy, to be in their respective states and to able to be responsive to them. They can share costs and resources so that peer reviews in both Maryland and North Carolina are administered at the highest quality per AICPA standards. Coastal Peer Review was formed January 1. Mr. Manspeaker is pleased to be able to continue his involvement in peer reviews. Even though he remains involved with the National Peer Review committee, he is pleased to be involved with Coastal Peer Review. Maryland and North Carolina are glad to be able to be involved with their state boards by forming Coastal Peer Review. Many states have outsourced their peer reviews to other state peer reviewers, of which, many are far away from the state they are performing peer reviews for. Coastal Peer Review feels it is important to be able to be responsive to the Maryland Board of Public Accountancy by being here. Maryland's oversight process is the Peer Review Oversight Committee (PROC) which is overseen by Clem Mueller. Mr. Mueller has full access to everything that Coastal Peer Review does. Mr. Mueller reports back to the

Board to be sure Coastal Peer Review is meeting the requirements. In addition, AICPA has an oversight process in place. It is a very stringent process that is designed to have consistency across the profession.

There are three (3) options with peer review that can be reported; pass, pass with deficiency, and failed peer reviews.

As standards change, Mr. Manspeker noted that there is a significant impact on peer review reports. Pass with deficiencies and fails are showing an uptake trend due to mediation, but it is helping with corrections and improvements.

Covid-19 delayed significant standards that were to go into effect in 2020. The industry will see that 2021 will represent the last few years. Mr. Manspeker suggested that there may be another uptake in 2022 with reporting issues.

Another Covid-19 trend is reviews being done virtually. This is less efficient however equally effective.

In conclusion, Mr. Manspeker noted that due to the extensions that firms are requesting, 2021 will be a busy year for peer review.

B - The Board reviewed and discussed a CE deferral that was requested. This topic was discussed at length.

Upon a motion **(VIII)** by Mr. Young, and seconded by Mr. Petito, the Board unanimously approved the extension of CE reporting to be deferred until 12/31/2021.

Old Business

Mr. Mostow has asked the Board members to please send him any comments to the letter sent from NASBA related to the virtual testing of the CPA exam.

Correspondence

There was no correspondence.

Executive Session

Upon a motion **(IX)**, by Mr. Petito, and seconded by Dr. Williams, the Board went into a closed Executive Session at 10:26 AM via a Google meeting teleconference, where log-in information was only provided to Board members and staff. 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 10:31 AM upon a motion **(X)**, by Mr. Ware, and seconded by Mr. Petito.

Return to Open Session

Upon a motion **(XI)** by Mr. Mostow, and seconded by Mr. Young, the Board unanimously approved the motions made during Executive Session.

Upon a motion **(XII)** by Mr. Ware, and seconded by Dr. Williams, the Board adjourned at 10:33 AM.

NEXT MEETING: March 2, 2021, via Google Meets teleconferencing at 9:00 AM

____ With corrections X Without corrections

Signature on original document

3/2/2021

Chairman

Date