

**STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
BUSINESS MEETING MINUTES
December 4, 2018**

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

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

MEMBERS ABSENT:

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

OTHERS PRESENT: Mary Beth Halpern, MACPA
Tom Bray, MSATP
Chenhong Zhang
Uche Kamalu
Pam Ashby

The December 4, 2018, 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. Korb, and seconded by Mr. Mostow, the minutes of the November 13, 2018, meeting were approved without corrections.

Chairman's Report

- The New CPA Swearing-In Ceremony was held on November 8th at Maryland Live. Present were Art Flach, John Papavasiliou, Shanai Jordan, Les Mostow, James Marshall, Phil Korb, Linda Rhew and David McGlone, the Deputy Secretary of DLLR who administered the CPA oath. Special thanks to the MACPA for putting on this event.
- The Executive Director's conference will be held in San Antonio, TX on March 26-28, 2019.

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

Executive Director's Report

Ms. Jordan reported that the Board's newsletter is scheduled for distribution the end of December-beginning of January. She stated that there would be an article on the Swearing-In Ceremony, sponsored by the MACPA.

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

Exam Appeals

There were no exam appeals at this meeting.

Education Report

Mr. Korb presented the Education Report. There was one (1) Transfer of Grades application approved. One Transfer of Grades application was submitted by an applicant from Maine. There was zero (0) Transfer of Grades application denials.

There was a discussion initiated by Mr. Mostow and Mr. Korb concerning the changing of the education curriculum for the exams. Students should be directed to the curriculum for the exams and licensure (which should be based on the exam content) so that they may meet the requirements for getting approved to take the exam.

Chairman Flach suggested that the educator members should be included in the discussions. Mr. Mostow would like for MACPA to be included as well.

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

Experience Report

Ms. Campbell presented the Experience Report. There were fourteen (14) Reciprocal applications approved, zero (0) Reciprocal application denials. The fourteen reciprocal license applicants were licensed in the following states: NC-1, VA-4, PA-6, NJ-1, OK-1 and CA-1. There were nineteen (19) Maryland candidate license application approvals and zero (0) Maryland candidate application denials. There were zero (0) administrative closures.

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

Firm Permit Report

Mr. Ware presented the Firm Permit Report. There was one (1) Maryland firm permit application approved. There were zero (0) firm applications closed. This firm permit application originated by a firm in DC.

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

Peer Review Oversight Committee Report

Chairman Flach reported:

- The Peer Review committee opened 7 complaints against firms who had consecutive fails or consecutive pass with deficiencies on the same matter. These complaints were forwarded to the complaint committee.
- The AICPA held a course for RAB (Report Acceptance Body) members on November 15, 2018. This course, designed for RAB members, provided an update on various topics related to the roles and responsibilities of RAB members. This will include an overview of the: • findings from recent RAB observations, • the changes to the reviewer performance & disagreement guidance, • considerations needed for nonconforming engagements and, • the effect of other peer review guidance changes on the RAB process.

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

New Business

The Board's attorney, Matthew Lawrence, requested that the Board take final action to approve its previously proposed regulation 09.24.01.06 concerning response to Board communications. Mr. Lawrence further advised the Board that he was unaware of any comments from the public concerning the regulation.

Upon a motion **(VIII)** by Mr. Mostow, and seconded by Mr. Korb, the Board unanimously adopted the regulation.

Old Business

There was no Old Business presented at this meeting.

Correspondence

The Board received correspondence concerning the Board's standards on a CPA taking on an engagement for potential medical marijuana dispensary clients. Upon advice of counsel and in light of the current state of Maryland and Federal law, the Board reiterated its position that it will take no regulatory action against a CPA or firm solely on the basis that the CPA or firm provides services to a business involved in the sale or distribution of marijuana, provided that the business is operating legally under applicable state law.

Executive Session

Upon a motion **(IX)**, by Mr. Marshall, and seconded by Mr. Ware, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 9:20 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 9:26 AM upon a motion **(X)**, by Mr. Korb, and seconded by Ms. Campbell.

The Board went into open session to hold three hearings.

Upon a motion (XI), 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 12:16 PM. 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 12:35 PM upon a motion (XII), by Mr. Korb, and seconded by Mr. Marshall.

Complaint Committee Report

Mr. Marshall reported the complaint committee has 52 open complaints broken down as follows: eighteen (18) were due to CE failures, eleven (11) were PCAOB or other agency complaints and twenty-three (23) were consumer complaints. Twelve complaints are currently in pre-charge status of which ten (10) of those are CE failures and two (2) are consumer complaints.

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

Executive Session

The Board did not have specific Executive Session items to be discussed at this meeting.

Upon a motion (XIV) by, Mr. Mostow, and seconded by Mr. Ware the Board adjourned at 12:39 PM.

NEXT MEETING January 8, 2019, 500 North Calvert Street, Third Floor, 9:00 AM

With corrections Without corrections

— SIGNATURE ON
ORIGINAL DOCUMENT —

1/8/19
Date