**STATE OF MARYLAND**

**BOARD OF PUBLIC ACCOUNTANCY**

**BUSINESS MEETING MINUTES**

**February 1, 2022**

**LOCATION:** Google Meets Teleconference

**MEMBERS**

**IN ATTENDANCE:** James E. Marshall, Jr., Chair

Macon M. Ware, III, Secretary

Barrett E. Young

Dr. Jan L. Williams

Tamara Bensky

Joe Petito

Brian Dunne

**MEMBERS/STAFF**

**ABSENT:**

**DLLR OFFICIALS/STAFF:**  Kausar Syed, Deputy Commissioner

Matthew Lawrence, Legal Counsel

Christopher Dorsey, Assistant Executive Director

Linda L. Rhew, Administrative Officer

**OTHERS PRESENT:** Mary Beth Halpern, MACPA

Bill Feehley, MSATP

Michael Manspeaker, MPRC

Zongyao Xiao, Guest

The, February 1, 2022, 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 Ms. Bensky, and seconded by Mr. Young, the minutes of the January 4, 2022, meeting were unanimously approved without corrections.

**Chairman’s Report**

Chairman Marshall shared with the Board the Complaint Committee report statistics in 2021 compared to 2020. The Complaint Committee started 2021 with forty-one (41) open complaints. They received 54 (fifty-four) new complaints, closed 67 (sixty-seven), and ended the year with twenty-eight (28) open complaints. The complaints have dropped significantly.

Chairman Marshall reminded Board members to complete their financial disclosure statements for the State Ethics Commission by April 30, 2022.

Ms. Alison L. Houck Andrew, Regional Director for the Mid-Atlantic area, will attend the March Board meeting to provide updates to the Board on what is happening at NASBA and throughout the mid-Atlantic Regional.

Chairman Marshall will be on the Mid-Atlantic regional conference call on February 7, 2022.

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

**Executive Director’s Report**

Executive Director, Christopher Dorsey reported the move to 1100 Eutaw Street has been completed and the Board is settling in. Mr. Dorsey reported the meetings will continue to be held virtually at this time.

Upon a motion **(III)** by Ms. Bensky, and seconded by Mr. Petito, 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 were zero (0) Transfer of Grades application approvals and zero (0) Transfer of Grades applications denied.

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

**Experience Report**

Ms. Bensky presented the Experience Report. There were 15 (fifteen) Reciprocal application approvals, and zero (0) Reciprocal application denials. The Reciprocal application approvals originated as follows: 3-CA, 1-DE, 1-IN, 1-MI, 1-NC, 1-NY, 1-PA, 1-TX, 4-VA and 1-WA.

There were 15 (fifteen) Maryland candidate license application approvals and one (1) Maryland candidate application denial.

Upon a motion **(V)** by Mr. Petito, and seconded by Mr. Ware, the Board unanimously approved the Experience Report.

**Firm Permit Report**

Mr. Dunne presented the Firm Permit Committee Report. There was four (4) Maryland firm permit application approvals with three having offices located in Maryland and one (1) having an office located in VA. There were zero (0) firm permit applications closed.

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

**Peer Review Oversight Committee Report**

Mr. Ware reported the following to have occurred beginning January 1, 2022, and ending January 31, 2022: two (2) new firms enrolled in the Peer Review Program; 18 (eighteen) firms had reviews accepted; two (2) firms passed with deficiencies, one (1) firm failed; and one (1) firm was dropped or terminated due to scheduling information not being received.

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

**New Business**

1. Chairman Marshall advised and reviewed with the Board, the 2022 Legislation Session Policy.
2. Dr. Williams shared with the Board a request from CpaCredits.com asking what we think of their program. After some discussion, the Board decided to continue this discussion further, at a later date, after obtaining additional information.
3. Mr. Young volunteered to spearhead a communications committee to produce and provide a newsletter to licensees. Deputy Commissioner Syed informed the Board they are in the process of hiring a Communications employee and asked Mr. Young to work with this employee in creating and publishing a newsletter for the CPA Board. Mr. Petito volunteered to be on the committee.
4. Mr. Michael Manspeaker provided an annual Peer Review update. He explained to the Board that CPAs on staff at Coastal Peer Review are engaged in a joint venture with MACPA and the North Carolina Association of CPAs to create synergy and economies, started on January 1, 2021, and have just completed their first year. They have processed well over 400 reviews in the first year. The peer review process is a very robust process, and Maryland requires peer review for licensees who perform certain services. Peer Reviews are conducted per American Institute of Certified Public Accountants (AICPA) Peer Review program standards. Coastal Peer Review (CPR) has had a number of observations of Peer Review acceptance meetings and has undergone a complete oversight of their peer review administration process. It is pleased to report it has come through completely clean, which affirms that CPR staff is fully qualified to timely and fairly administer the Peer Review process. Maryland encompassed 45% of the reviews done and the majority were from North Carolina. The peer review process is designed to be strict to protect the public interest. When a firm is not in compliance, Coastal Peer Review will help the firm to correct their systemic causes and assign corrective actions. They monitor the corrective actions to be helpful to the firms. There is a small number of firms that do not cooperate and do not try to improve. They are referred to the AICPA Board for expulsion from the program. With the end of 2021, there has been a change of standards, therefore, 2022, may see an uptick of deficiencies due the change in the standards.

**Old Business**

Dr. Williams shared with the Board that she attended the NASBA Educators meeting in January regarding the changes to the education requirements in the UAA. NASBA representatives, along with the Educator members from a number of State Boards of Accountancy, discussed a number of courses including cost accounting, ethics, accounting information systems (AIS) and data analytics. States have mixed views on cost accounting and most schools do not require it in their programs. Ethics had mixed views as some states do not require it. Most have separate ethics course requirements, some have general or business ethics, and some follow the Model UAA rules and have business or accounting ethics. In regard to data analytics, most states are considering making it a requirement as it is now integrated into most curricula. With respect to AIS, there is not much discussion happening at the present.

Dr. Williams also noted that she has learned there are no longer regionally accredited institutions as they are now referred to as Institutional Accreditors. The Board will look into making a statutory update.

**Correspondence**

None

**Open Discussion**

Mary Beth Halpern thanked Mr. Manspeaker for providing the annual Peer Review update to the Board.

Deputy Commissioner Syed thanked Mr. Young for volunteering to be the liaison between the CPA Board and the Communications person to prepare and release a newsletter on a regular basis.

**Executive Session**

Upon a motion (**VIII)**, by Mr. Young, and seconded by Mr. Ware, the Board went into a closed Executive Session at 10:06 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.

**Return to Open Session**

Upon a motion **(IX)** by Mr. Petito, and seconded by Dr. Williams, the Board unanimously approved the motions made during Executive Session.

Upon a motion **(X)** by Ms. Bensky, and seconded by Mr. Dunne, the Board adjourned at 10:26 AM.

**NEXT MEETING:** March 1, 2022, via Google Meets teleconferencing at 9:00 AM

\_\_X\_\_\_With corrections \_\_\_\_Without corrections

Signature on file March 1, 2022

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Chairman Date