OCCUPATIONAL & PROFESSIONAL LICENSING BOARD OF CERTIFIED PUBLIC ACCOUNTANTS

100 S. Charles Street, Tower 1

Baltimore, MD 21201

State of Maryland

Board of Certified Public Accountants Business Meeting Minutes

***Tuesday, February 4, 2025***

*Via Google Meets Teleconference*

# MEMBERS

**IN ATTENDANCE:** Dr. Jan Williams, Chair Jeffery Wilson, II Joseph Petito

Barrett E. Young Brian Dunne Pamela Gray

**ABSENT MEMBER:** Joan Pratt

**DLLR OFFICIALS/STAFF:** Christopher Dorsey, Executive Director

Robert Pambianco, Legal Counsel Sharron McNeill, Office Supervisor Shemirra Massie, Administrative Officer I

**OTHERS PRESENT:** Rebekah Olson, MACPA

Marybeth Halpern, MACPA Sarah Glascow

Michael Manspeaker, AICPA Matthew Keadle

The February 4, 2025, Maryland Board of Public Accountancy meeting was called to order at 9:02 AM by Dr. Jan Williams, Chair.

Upon a motion **(I)** by Mr. Petito and seconded by Mr. Wilson, the January 7, 2025 meeting minutes were unanimously approved.

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WES MOORE, GOVERNOR | ARUNA MILLER, LT. GOVERNOR | PORTIA WU, SECRETARY

# Chairman’s Report

1. Dr. Williams thanked Mr. Petito for writing the initial drafts of the Board’s written testimony for Senate bill 51 and Senate bill 148 as discussed in the January Board meeting. She also thanked Mr. Dorsey for submitting the written testimony for both bills to the Senate committee. At the hearing, Senator Ellis stated that he accepted the Board’s amendments to SB 148, with the exception of the required 40 years of experience. Per the video of the hearing, he does not think the 40-year requirement would be fair for someone who had a break in the profession or who became a CPA later in life. He did accept the Board’s minor name change of Senate bill 51 to “Accountants-Licensed Out of State Practice Privilege” which the Board felt was more appropriate. Dr. Williams thanked Mrs. Olsen and Mrs. Halpern from the MACPA for their assistance in finding a sponsor for the mobility bill since the deadline for the Board to submit the legislation had passed at the onset of the discussion.
2. We now have the cross-listed House bills. The hearing for HB 427, on the emeritus status, was held on January 29th. We will send the written testimony for House bill 887, on mobility, to the House Economic Matters Committee for the February 12th hearing.
3. Dr. Williams thanked Mr. Young for giving a regulatory update on behalf of the Board at the MACPA CPA Day in Annapolis last month. She has heard that the regulatory update was well received and appreciated by CPAs in attendance.
4. Dr. Williams shared the statistics of the 2024 board committee reports. During 2024, there were 19 transfer of grades (TOG) applications approved and 0 TOG application denials from the education committee. In 2023, there were 16 transfer of grades applications approved and 2 TOG application denials.

From the experience committee, in 2024, there were 168 Maryland Exam candidate applications approved for licensure and 0 denials. In 2023, there were 203 Maryland Exam candidate applications approved for licensure and 1 application denial. In 2024, there were 104 reciprocal applications approved, and 0 reciprocal application denials. In 2023, there were 100 reciprocal applications approved, and 7 reciprocal application denials.

The firm committee reports included 17 firm permit applications approved and 3 denials in 2024. In 2023, there were 21 firm permit applications approved and 0 application denials.

The peer review committee reports in 2024 included 9 newly enrolled firms, 113 firm peer reviews accepted, 10 first time passes with deficiencies, 4 first time failures, and 11 firms dropped or terminated. In 2023, there were 40 newly enrolled firms, 103 firm peer reviews accepted, 6 first time passes with deficiencies, 7 first time failures, and zero (0) firms dropped or terminated.

Upon a motion **(II)** by Mr. Petito and seconded by Ms. Gray, the Chairman’s Report was unanimously

approved.

# Executive Director’s Report

1. Mr. Dorsey advised the Board that financial disclosure reports are due by April 30, 2025.
2. Mr. Dorsey attended the NASBA Executive Directors meeting on January 14, 2025, in which

most of the discussion centered around state’s additional pathways legislation.

1. The Sunset Extension Bill hearing was held on January 22, 2025. No updates have been given on the outcome of the hearing, but Mr. Dorsey will give us updates when he receives them.

Upon a motion **(III)** by Mr. Young seconded by Mr. Dunne, the Board unanimously approved the

Executive Director’s report.

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# Exam Appeals

There were zero (0) Exam Appeals

# Education Committee Report

Mr. Dunne presented the Education Report. There were zero (0) Transfers of Grades application approvals for January and zero (0) Transfer of Grades application denials for January.

Upon a motion **(IV)** by Mr. Petito and seconded by Ms. Gray, the Board unanimously approved the Education Report.

# Experience Committee Report

Mr. Wilson, II presented the Experience Report. There were five (5) Maryland candidate license application approvals and zero (0) Maryland candidate application denials for January.

Four (4) Reciprocal application approvals originated from the following jurisdictions: one (1)-VA, one (1)-VT, one (1)-IN, one (1)-FL. There were zero (0) Reciprocal application denials for January.

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

# Firm Permit Committee Report

Mr. Dunne presented the Firm Permit Committee Report. Two (2) firm approvals and zero (0) firms closed for January.

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

# Peer Review Oversight Committee Report

Ms. Gray reported the following: two (2) newly enrolled firms in the Peer Review Program; twelve

(12) firms had reviews accepted; zero (0) first-time passes with deficiencies; one (1) first-time fail; and zero (0) firms were dropped or terminated.

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

Mr. Mainspeaker gave the Annual Coastal Peer Review Report. Peer reviews in Maryland were consistent in 2024 (121 firms) with 2023 (117 firms). He noted that there were substantially less unenrolled firms in 2024, than in the past. Coastal tries to work with firms before they are dropped. The new standards regarding quality management systems have to be in place by December 15, 2025. Coastal is offering free CPE to help firms understand and adopt the new standards. He stated that private equity firm ownership is unchartered territory, but no additional peer review procedures are required for private equity firms at this time.

# Unfinished Business CPA Board Budget

Mr. Dorsey stated that the budget information is not available. The Board discussed that it has not received budget information over an extended period of time. The Board asked Dr. Williams to email Commissioner John Dove to request an update and timeline on the CPA Board Budget.

# Alternative Pathways

The Board discussed alternative pathways to obtain the 30 additional hours for licensure that have been approved by Ohio and Illinois. Several other states have proposed legislation for alternative pathways. The board discussed approving additional pathways for licensure in Maryland. The Board will submit statutory changes for additional pathways for the 2026 Legislative Session.

Upon a motion **(VIII)** by Mr. Young and seconded by Ms. Gray, the Board unanimously voted to approve alternative pathways to CPA licensure, which will include a master’s degree and one year of relevant work experience; a bachelor’s degree with 30 additional credit hours and one year of relevant work experience; and a bachelor’s degree with two years of relevant work experience.

# Private Equity Investments in Accounting Firms

The Board requested additional time to review and consider a possible private equity questionnaire to be sent to firms. An issue was raised about the security of information once it is received. The Board will continue with discussions on this issue at the March Board Meeting.

# New Business

**Election of Secretary/Treasurer**

The Board opened nominations for the Secretary/Treasurer position. Mr. Petito was self-nominated for the position. After no additional nominations were made, Dr. Williams closed the call for nominations.

Upon a motion **(IX)** by Mr. Young and seconded by Mr. Wilson, II, the Board voted and unanimously

elected Mr. Petito as the Board’s Secretary/Treasurer.

# COMAR meetings under the Maryland Register

COMAR 09.24.01.01(B) requires that notice of meetings and hearings be posted in the Maryland Register. Most other occupational boards under Maryland’s Department of Labor do not have such a requirement. The time involved in posting this information in the Maryland Register can impede upon the Board’s ability to have an emergency meeting and/or to reschedule hearings. The Board discussed updating the regulation to include that meetings and hearings will be posted on the Board’s website instead of in the Maryland Register or to simply allow the standard OMA requirements to apply.

Upon a motion **(X)** by Mr. Young and seconded by Mr. Wilson, the Board voted to bring the Board in alignment with other Boards and remove the provision regarding notice of meetings and hearings published in the Maryland Register.

# Correspondence

None

# Public Questions and Comments

Mrs. Halpern thanked Mr. Young for presenting at the MACPA CPA Day. His presentation was very well received, and they would like to have Board members present at future CPA Days. She also asked about the timeline for submitting proposed legislation for the 2026 Legislative Session.

# Hearing

A hearing was not held because an Assistant Attorney General was not available for a hearing. The hearing will be scheduled for March.

# Closed Session

On a motion **(XI)** by Mr. Petito and seconded by Mr. Wilson, II, the Board voted to move to a closed session at 11:46 pm via a Google Meets teleconference, where log-in information was only provided to Board members and staff. The purpose of this session was to protect confidential attorney-client communications and licensing information shielded by the Maryland Public Information Act in regard to disclosures on applications (as permitted by Sections 3-305(b)(7) and (b)(13) of the Open Meetings law), as well as to receive the Complaint Committee Report and the minutes of its January closed session, administrative functions not subject to the Open Meetings law pursuant to Section 3- 103(a)(1)(i) of the General Provisions article.

# Return to Open Session

Upon a Motion **(XII)** by Mr. Young and seconded by Mr. Wilson, II, the Board unanimously approved the motions made during the Closed Session.

Upon a motion **(XIII)** by Mr. Petito and seconded by Mr. Young, the Board adjourned at 12:49 pm.

# Summary of Closed Session

Date and Time: February 4, 2025 / 11:48 am Place: Virtual

Persons present: Williams, Wilson, Petito, Young, Dunne, as well as Dorsey, McNeil, and Massie (Staff), and Pambianco (counsel).

Subject matter: Disclosures on applications, complaint committee report, and January closed meeting minutes

**NEXT MEETING:** Tuesday, **March 4, 2025**, via Google Meets teleconferencing at 9:00 AM

\_X With corrections Without corrections

Signature on file March 6, 2025

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Chairman Date