**STATE OF MARYLAND**

**BOARD OF PUBLIC ACCOUNTANCY**

**BUSINESS MEETING MINUTES**

**October 5, 2021**

**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

**MEMBERS/STAFF**

**ABSENT:** Brian Dunne

**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

The October 5, 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.

Chairman Marshall welcomed the Board’s newest Industry member, Tamara Bensky to the Board. Chairman Marshall introduced Board members and staff.

Ms. Bensky told the Board members, staff, and guests about herself. She is a partner with Myers and Stauffer LC. The Baltimore office opened in 2005. Her career has been based on serving governmental health care clients, working with Medicare and Medicaid programs across the country on a state and federal level.  She works on ways to, and how to pay for healthcare.  She is a past chair of MACPA.  Ms. Bensky has served on many MACPA committees, most recently being chair of the audit committee. She has also been involved in many AICPA committees such the AICPA Education Foundation and PCPS. Ms. Bensky is looking forward to being a member of the Maryland State Board of Accountancy.

Upon a motion **(I)** by Mr. Ware, and seconded by Mr. Young, the minutes of the September 15, 2021, meeting were unanimously approved with corrections.

**Chairman’s Report**

Chairman Marshall reminded Board members and staff to register for NASBA’s 114th annual meeting that will be virtual beginning November 2, 2021 -November 3, 2021. The deadline to register is October 26, 2021.

In addition, Chariman Marshall shared with the Board that AICPA is looking for volunteers for the Practice Analysis. Volunteers are needed by November 15, 2021, and will be rating the CPA exam content which will take approximately two (2) hours. Some supervisory experience over CPAs for the last two (2) years is required.

Upon a motion **(II)** by Mr. Petito and seconded by Ms. Bensky, the Board unanimously approved the

Chairman’s report.

**Executive Director’s Report**

Acting Executive Director, Christopher Dorsey reminded the Board, there will be a swearing in ceremony hosted by MACPA on November 18, 2021, at Maryland Live Casino.

Mr. Dorsey let the Board know that as of tomorrow, he will officially begin his new job as the Executive Director of the Maryland Board of Public Accountancy, the Individual Tax Preparer’s Board, the Forestry Board and Secondhand Precious Metal Object Dealer & Pawnbrokers Boards. Mr. Dorsey has been the assistant Executive Director for the past three years, which has assisted him in his move to the Executive Director position. Mr. Dorsey thanked, Administrative Officer, Linda Rhew, for her assistance with his transition. Deputy Director Kausar Syed, Board members, staff and guests welcomed and congratulated Mr. Dorsey on his new position as Executive Director.

Upon a motion **(III)** by Dr. Williams, and seconded by Mr. Young, 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 approved and zero (0) Transfer of Grades applications denied. The approved Transfer of Grades application originated from NY.

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

**Experience Report**

Mr. Petito presented the Experience Report. There were twelve (12) Reciprocal application approvals, and zero (0) Reciprocal application denials. The twelve (12) Reciprocal application approvals originated as follows: CO-1, DE-1, MA-1, MO-1, NC-1, NC-1, NJ-1, PA-1, VA-3 and WV-1.

There were 22 (twenty-two) Maryland candidate license application approvals and zero (0) Maryland candidate application denials.

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

**Firm Permit Report**

Dr. Williams presented the Firm Permit Committee Report in Mr. Dunne’s absence. There was one (1) Maryland firm permit application approval with an office 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 September 1, 2021, and ending September 30, 2021: three (3) new firms have enrolled in the Peer Review Program; 22 (twenty-two) firms have had reviews accepted; zero (0) firms has failed; one (1) firm was dropped or terminated due to scheduling information not being received; and one (1) firm has passed with deficiencies.

There is an exposure draft that was issued on September 15, 2021, titled Clarification of AICPA Standards for Performing and Reporting on Peer Reviews. The exposure draft is issued by the AICPA Peer Review Board with comments requested by December 15, 2021.

As a reminder, the AICPA peer review program monitors the quality of reviewed firms accounting and auditing engagements and evaluates the system of quality control that those engagements were subject to during performance.  Participation in the program is mandatory for AICPA membership and is also part of the licensure process.  For the State of Maryland, we use an administering entity to implement our peer review program which is based on the AICPA model.

The AICPA Peer Review Board began a process in 2017 to revise the peer review standards and guidance mainly to make the guidance easier to read, understand and apply. For example, the guidance is now organized by a user such as the firm, the reviewer or administering entity and is also organized by type of review – system or engagement review. Requirements are separated from the application.

Primary changes include the following:

Removal of the requirement for the majority of the procedures in a system review to be performed at the reviewed firm’s office - the reviewer should now perform a risk assessment to determine what needs to be done onsite.  With technology and remote working, this requirement is not considered necessary.

Removal of the requirement to visit multiple offices of a firm.  Requirement was there to make sure quality exists across the firm.  Now the reviewer can risk assess that need and use technology to cover offices of the firm.

Removal of selecting a surprise engagement in a system review.  This prevented a firm from cleaning up the engagement before inspection.  Again, the board considered technology, mainly the audit software used by most firms, and concluded the reviewer could risk assess whether a surprise engagement is necessary.

Removal of the term, significant deficiency in engagement reviews - concern was that the term focused on the number of deficiencies rather than the severity of the deficiencies.  If there is an issue with all engagements selected, the result will be a failed review.

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

**New Business**

Mr. Dorsey presented to the Board an inquiry concerning a licensee earning CE for volunteering. After much discussion, the Board decided to table further discussion until the November meeting.

Upon a motion **(VIII)** by Mr. Young, and seconded by Mr. Petito, the Board agreed to discuss this topic further at the November meeting. Dr. Williams abstained from voting.

Ms. Rhew presented to the Board an email inquiry regarding a licensee receiving CE credits for CE taken for the licensee to renew their Insurance license. The Board stated they may submit a particular course to be reviewed that they feel may meet the requirements for CE for renewing their CPA license. Otherwise, CE earned for another type of license cannot be used.

**Old Business**

Dr. Williams completed the Maryland CPA Exam Educational Requirements survey, and forwarded the email, survey link, and accounting department chairpersons' email addresses to Mr. Dorsey.  Mr. Dorsey sent the email to Maryland accounting department chairpersons to obtain their feedback regarding the new UAA Model Rules.  Specifically, the feedback will help the Board decide whether Maryland should continue to require a cost accounting course, and whether a separate accounting information systems course, data analytics course, and accounting or business ethics course should be required.  The department chairpersons were asked to respond by October 15th. Dr. Williams will report the feedback at the November meeting.

**Correspondence**

There was no correspondence.

**Open Discussion**

There were no questions.

**Executive Session**

Upon a motion **(IX)**, by Mr. Ware, and seconded by Mr. Petito, the Board went into a closed Executive Session at 10:03 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 **(X)** by Mr. Young, and seconded by Mr. Petito, the Board unanimously approved the motions made during Executive Session.

Upon a motion **(XI)** by Mr. Ware, and seconded by Ms. Bensky, the Board adjourned at 10:13 AM.

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

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

Signature on original document 11/2/2021

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chairman Date