

**STATE OF MARYLAND
BOARD OF PUBLIC ACCOUNTANCY
BUSINESS MEETING MINUTES
January 8, 2019**

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

The January 8, 2019, 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. Mostow, and seconded by Mr. Ware, the minutes of the December 4, 2018, meeting were approved without corrections.

Chairman's Report

Curriculum Issues

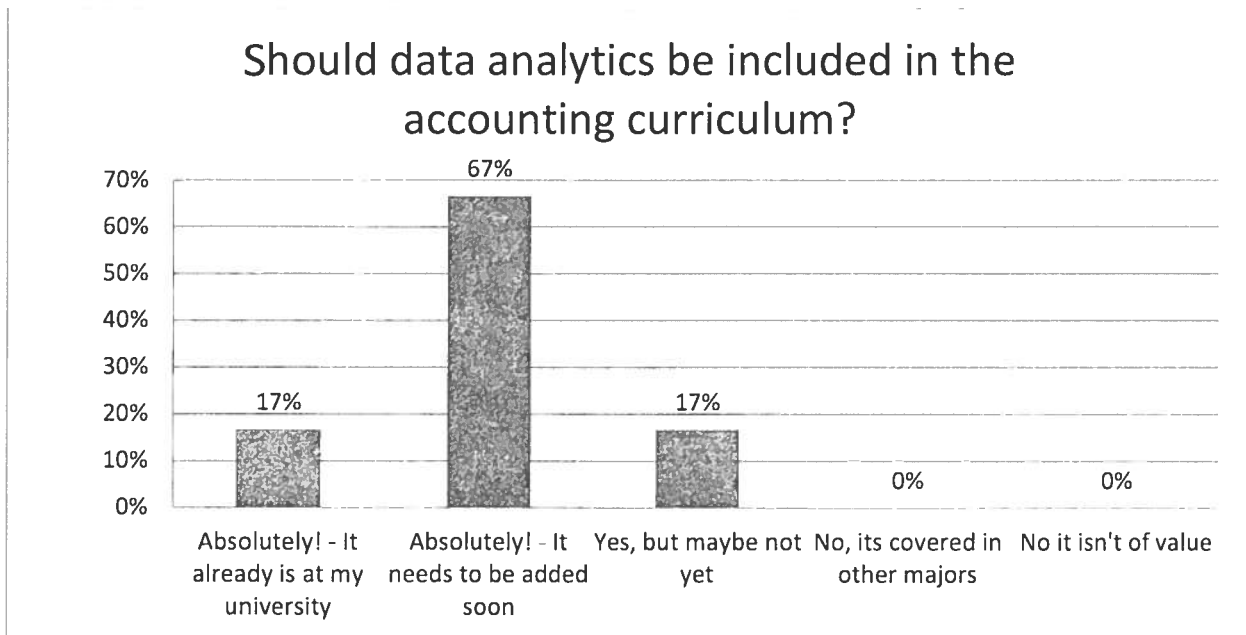
Art Flach attended a portion of a meeting of the MACPA Educators Committee. The purpose of this meeting was to discuss the changes in the accounting curriculum as they relate to data analytics and perhaps the need to change the educational requirements to sit for the CPA exam. By way of background, Professor Vernon Richardson of the Walton School of Business at the University of Arkansas published a survey of accounting department chairs relative to adding Data Analytics ("DA") to the accounting curriculum. The results of the survey are summarized below.

Professor Richardson had 150 department chair responses. Respondents could either click on a multiple choice answer or provide a comment. Emails were sent to 917 schools. Professor Richardson believes the results provide a good feel of where accounting academia stands relative to the importance of Data Analytics in the curriculum.

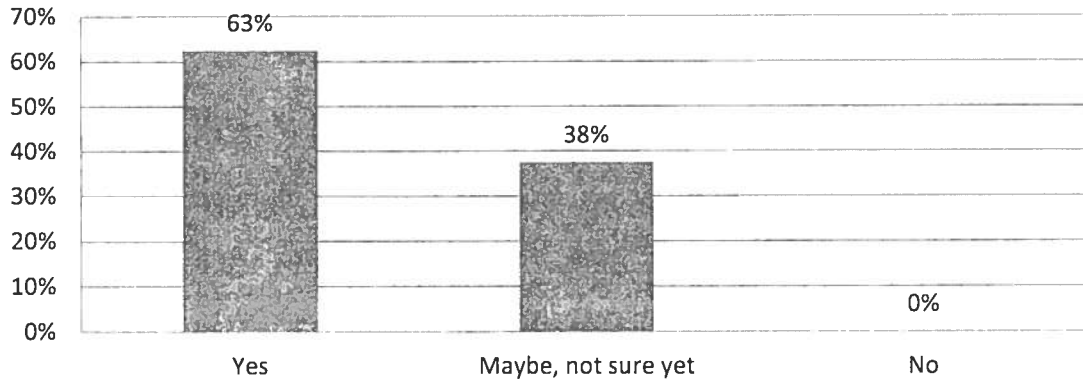
Here are some highlights:

- (Q1) 91% of respondents believe that DA should be in the accounting curriculum.
- (Q2) 71% of respondents do not yet have a DA course in their accounting curriculum.
- (Q3) 60% said they expect they will have a DA course in the next 3-5 years.
- (Q4) 59% think one DA course would be provided. 18% thought two DA courses would be provided.
- (Q5) 70% thought there should be a specific accounting DA course (as compared to a business analytics course)
- (Q6) 69% thought the DA course should be offered concurrently with core courses (either junior or senior year).
- (Q8) 56% thought that DA should be covered in a course and in the regular curriculum; 20% thought a DA course not needed for DA content.
- (Q10) 86% were interested in an Excel-based DA course/text targeted at the sophomore/junior level. The comments on this one suggest there is still a lot who want more tools beyond Excel/Tableau (SAS, R, etc.)— I think this suggests there is also a strong market for a DA masters course with more advanced topics/tools.

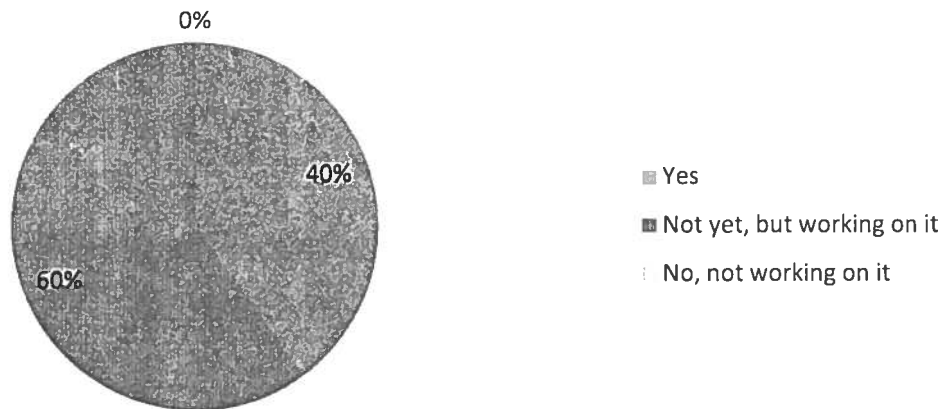
Art Flach asked Rebekah Brown of the MACPA to conduct the identical survey with Maryland educators and the results are as follows:



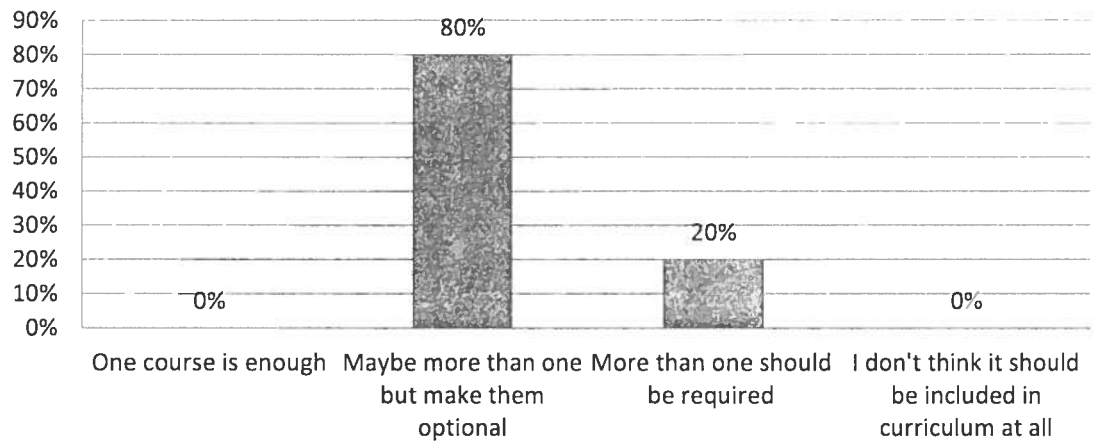
Do you think there should be an Excel-based DA course/Tableau, SAS course targeted at the sophomore/junior level?



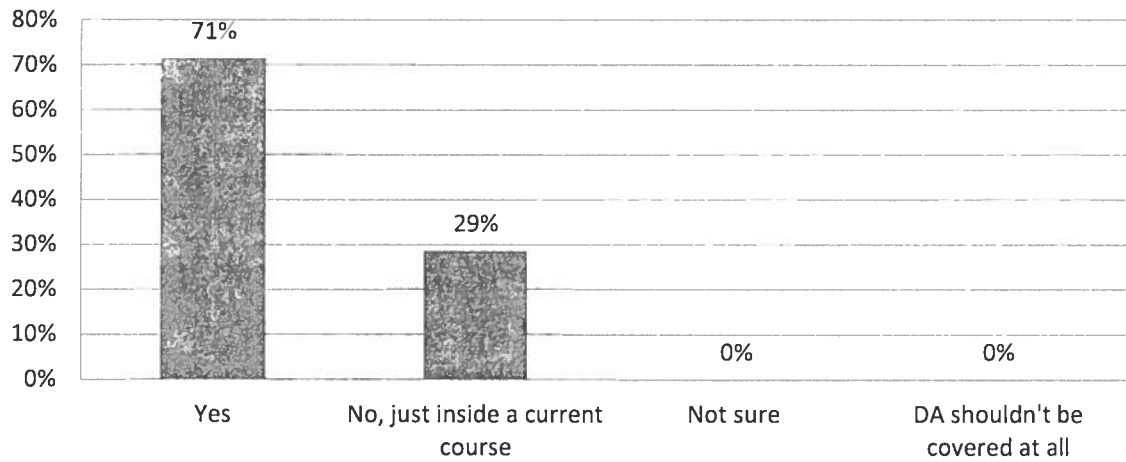
Do you currently have a DA course in their accounting curriculum?



Do you think one DA course should be provided or should there be more than one?.



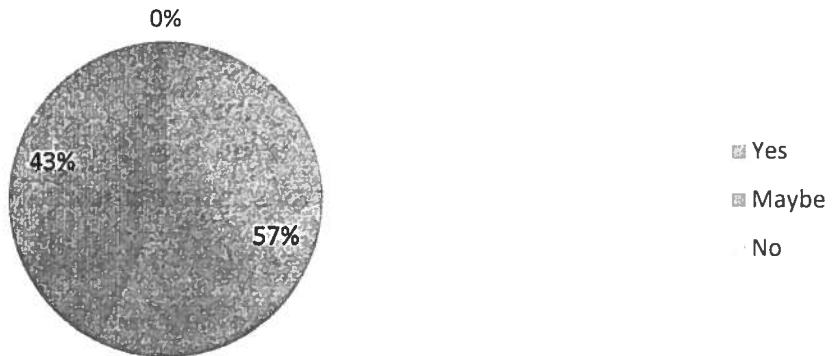
Do you think that DA should be covered in a course and in the regular curriculum?



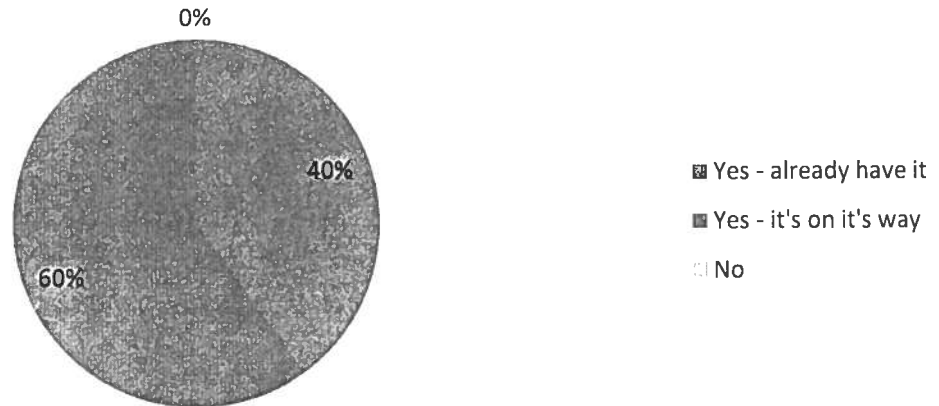
Should there should be a specific accounting DA course (as compared to a business analytics course)?



Do you think the DA course should be offered concurrently with core courses (either junior or senior year).?



Do you expect you will have a DA course in the next 3-5 years?



Chairman Flach requested discussion on this matter be done during the Education Report being given by Mr. Korb.

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

Executive Director's Report

Ms. Jordan reported the Board's newsletter is ready for release and she has asked the Board to review and give their final approval so she could instruct NASBA to proceed with publication and distribution to the Maryland licensees.

Ms. Jordan informed the Board that she made an inquiry concerning approval of the usage of Boardmax to enable the Board members to view the Board meeting materials on electronic devices and was informed that since it is a subscription it would need to go through procurement, which will take some time. Ms. Jordan suggested Board members could use their iPad or other electronic devices to view the Board documents instead of the documents being printed for the meetings.

Ms. Jordan will schedule a meeting between Chairman Flach, herself and Mr. Papavasiliou to discuss the budget in the near future.

Upon a motion (III) by Mr. Marshall, and seconded by Mr. Mostow, 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 that originated from a Maine exam candidate. There were three (3) Transfer of Grades application denials. TG-0119-01 was denied as they have an expired license in Guam and must reactivate that license then they can apply for a reciprocal license in Maryland, TG-0019-02 originated from Washington state and was found to be lacking .75 semester credit hours in cost accounting, 3 semester credit hours in ethics and is lacking 2 (two) of the 5 (five) course specific course requirement in group two, and TG-0119-03 which originated as an exam candidate from North Carolina was found to be lacking three (3) semester credit hours in ethics. In summary the three (3) denied transfer of grades applicants were transferring grades from Guam, NC and WA.

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

Mr. Korb initiated a discussion concerning the Chairman's report on data analytics as to whether or not it should be included in the curriculum and how it would fit into meeting the Maryland Board's course requirements for the exam and towards the licensure requirements. Discussion ensued among the Board Members as to the importance of incorporating data analytics in the current accounting curriculum. Mr. Ware noted the utilization of data analytics currently within the audit profession and its importance to the audit process.

After further discussion, it was determined the Board would amend the Chart of Subject Matter Information on the Board's website to include a bullet under Quantitative Methods, topics generally covered, specifying Data Analytics. It was also determined that under Auditing, in the topics generally covered section, a bullet would be added to reflect accounting analytics as being one of the acceptable topics towards meeting the auditing requirement.

Upon a motion **(V)** by Mr. Mostow, and seconded by Mr. Korb, the Board unanimously approved to amend the "topics generally covered" section in the Chart of Subject Matter Information on the website as part of the Education Report.

Additional discussion ensued after a review of the Chart of Subject Matter, which is found at the DLLR website under the Boards and Commissions -Certified Public Accountants area. Specifically the Chart of Subject Matter can be found in the section labeled Education Requirements-CPA Examination-Public Accountancy under the Group II Business Related Education subsection. This review raised the question of whether the language *Analysis and interpretation of data* under the suggested topics, in the Quantitative Methods requirement is the same as data analytics. The Board unanimously concluded to delete this terminology "Quantitative Methods" and replace it with Data Analytics for a clearer interpretation.

Upon a motion **(VI)** by Mr. Mostow, and seconded by Mr. Korb, the Board unanimously approved the amendment to the topics generally covered section on the Board's Chart of Subject Matter Information on the website as part of the Education Report.

Experience Report

Ms. Campbell presented the Experience Report. There were six (6) Reciprocal applications approved, zero (0) Reciprocal application denials. The six (6) reciprocal license applicants were licensed in the following states: GA-1, VA-2, DE-1, OK-1 and CA-1. There were sixteen (16) Maryland candidate license application approvals and one (1) Maryland candidate application denial. The Maryland candidate's license was denied due to the candidate lacking 22 of the 150 semester credit hours.

Upon a motion **(VII)** 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. The approved firm permit application was submitted by a firm in TX. There were zero (0) administrative closures.

Upon a motion **(VIII)** by Mr. Marshall, and seconded by Mr. Helmstetter, the Board unanimously approved the Firm Permit Report.

Peer Review Oversight Committee Report

Chairman Flach reported the next open session of the AICPA Peer Review Board (PRB) will be held on Wednesday, January 30, 2019. Chairman Flach plans on attending via phone conference.

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

New Business

The Board received a request from International Test of English Proficiency (iTEP) requesting acceptance of their examinations to qualify for credits towards the exam and licensure. The Board denied the request reiterating the Board's policy that third-party credits are not acceptable.

Upon a motion **(X)** by Mr. Korb, and seconded by Mr. Mostow, the Board unanimously denied the request to accept courses and credits earned through iTEP.

The Board reviewed a request for the correction of CE and status change from active to inactive by a licensee.

Upon a motion **(XI)** by Mr. Mostow, and seconded by Mr. Korb, the Board unanimously approved the correction of CE. Upon a motion **(XII)** by Mr. Mostow, and seconded by Mr. Korb, the Board unanimously approved the amended motion to include the approval of status change from active to inactive.

The Board reviewed a request from Creating Assets, Savings & Hope (CASH Campaign of Maryland) requesting approval of CE credits for CPAs that volunteer in their program and must complete the volunteer training and must pass the IRS volunteer certification program.

Upon a motion **(XIII)** by Mr. Korb, and seconded by Mr. Mostow, the Board unanimously approved the request of accepting the CE earned from CASH Campaign of Maryland providing documentation is provided per the Board's CE reporting requirements.

Old Business

There was no Old Business presented at this meeting.

Correspondence

There was no Correspondence presented at this meeting.

Executive Session

Upon a motion (XIV), by Mr. Ware, and seconded by Mr. Helmstetter, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 9:55 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 10:16 AM upon a motion (XV), by Mr. Mostow, and seconded by Mr. Helmstetter.

Complaint Committee Report

Mr. Marshall reported the complaint committee has 39 open complaints broken down as follows: twenty-three (23) were due to CE failures, six (6) were PCAOB complaints and ten (10) were consumer complaints. Seventeen (17) complaints are currently in pre-charge status, of which 14 (fourteen) are for CE audit failures and three (3) are consumer complaints. Of the remaining consumer complaints two (2) were fee disputes, five (5) were work paper issues, two (2) were ethics related and one (1) involved errors and penalties being accessed.

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

Executive Session

In EX A – 0119, upon a motion (XVII), by Mr. Mostow, and seconded by Mr. Marshall, the Board unanimously denied the original license of an individual applicant after considering a conduct issue.

In EX B – 0119, upon a motion (XVIII), by Mr. Mostow, and seconded by Mr. Campbell, the Board unanimously approved the original license application of an individual applicant after considering a conduct issue.

In EX C – 0119, upon a motion (XIX), by Mr. Marshall, and seconded by Mr. Ware, the Board unanimously approved the original reciprocal license application of an individual applicant after considering a conduct issue.

Upon a motion (XX) by, Mr. Mostow, and seconded by Mr. Korb, the Board adjourned at 10:21 AM.

NEXT MEETING February 5, 2019, 500 North Calvert Street, Third Floor, 9:00 AM

___ With corrections Without corrections

___ **SIGNATURE ON ORIGINAL DOCUMENT**

Date 1/8/19