

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

F I N A L M I N U T E S

MEETING OF:

STATE BOARD OF ACCOUNTANCY

TIME: 9:02 A.M.

PENNSYLVANIA DEPARTMENT OF STATE
Board Room C
One Penn Center
2601 North Third Street
Harrisburg, PA 17110

January 15, 2019

State Board of Accountancy
January 15, 2019

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

BOARD MEMBERS:

- Erik V. Scully, Esquire, CPA, Chairman
- Ian J. Harlow, Commissioner of Professional and Occupational Affairs - Absent
- Barry M. Berkowitz, CPA
- Keri A. Ellis, CPA, Vice Chair - Absent
- Monique M. Ericson, CPA, Office of Attorney General
- Paul J. Kelly III, CPA
- Michael D. Ocker, CPA
- Sheri L. Risler, CPA
- Michael P. Rollage, CPA
- David W. Stonesifer, CPA
- Alfred L. Whitcomb, PA

BUREAU PERSONNEL:

- Shana M. Walter, Esquire, Board Counsel
- Robert B. Armour, Esquire, Board Prosecution Liaison
- Tiffany A. Raker, Esquire, Board Prosecution
- Sara Fox, Board Administrator

ALSO PRESENT:

- Michael D. Colgan, CAE, CEO & Executive Director,
Pennsylvania Institute of Certified Public Accountants

1 ***

2 State Board of Accountancy

3 January 15, 2019

4 ***

5 The regularly scheduled meeting of the State
6 Board of Accountancy was held on Tuesday, January 15,
7 2019. Erik V. Scully, Esquire, CPA, Chairman, called
8 the meeting to order at 9:02 a.m. Michael P. Rollage,
9 CPA, was not present at the commencement of the
10 meeting.

11 ***

12 Approval of Minutes of the November 13, 2018 meeting

13 CHAIRMAN SCULLY:

14 The first thing we have on the agenda is
15 the approval of the minutes.

16 [The Board discussed corrections to the minutes.]

17 Do I have a motion to approve the
18 minutes?

19 MR. BERKOWITZ:

20 So moved.

21 MR. KELLY:

22 Second.

23 CHAIRMAN SCULLY:

24 Roll call.

25

1 Barry M. Berkowitz, aye; Monique M.
2 Ericson, aye; Paul J. Kelly III, aye;
3 Michael D. Ocker, aye; Sheri L. Risler,
4 aye; Alfred L. Whitcomb, abstain; David
5 W. Stonesifer, aye; and Erik V. Scully,
6 aye.

7 [The motion carried. Alfred L. Whitcomb abstained
8 from voting on the motion.]

9 ***
10 [Michael P. Rollage, CPA, entered the meeting at
11 9:05 a.m.]

12 ***
13 Report of Prosecutorial Division
14 [Robert B. Armour, Esquire, Board Prosecution Liaison,
15 presented the Consent Agreement for Case No. 15-55-
16 01996.

17 Mr. Armour noted the Board's request for a
18 presentation on the process of referrals from the
19 Public Company Accounting Oversight Board (PCAOB),
20 Pennsylvania Institute of Certified Public Accountants
21 (PICPA), and the American Institute of Certified
22 Public Accountants (AICPA). He stated the matters are
23 handled like claims, noting the receipt of information
24 from the associations as well as the Department of
25 Labor and Security Exchange Commission. He offered to

1 provide the Board with the desired information in a
2 presentation.

3 Mr. Armour introduced Tiffany Raker as a new
4 prosecuting attorney.

5 It was noted that the Case Status Report, which
6 was a function in the previous licensing system, is
7 not in the Pennsylvania Licensing System (PALS) and
8 should be removed from the agenda.

9 Ms. Raker provided a brief summary of her
10 professional background.]

11 ***

12 Report of Board Counsel

13 [Shana M. Walter, Esquire, Board Counsel, noted a
14 granted Motion for Continuance filed by the
15 Commonwealth regarding Case No. 17-55-08964, which
16 will be on the agenda for the April meeting.

17 Ms. Walter also noted the case appealed to the
18 Commonwealth Court by David Coughlin for discussion
19 during Executive Session.]

20 ***

21 Report of Regulatory Counsel

22 [Shana M. Walter, Esquire, Regulatory Counsel, noted
23 no changes in the Regulatory Status Report. She will
24 provide an updated case status report to the Board at
25 its April meeting.]

1 ***

2 Report of Board Chairman - Board Committee Assignments
3 [Erik V. Scully, Esquire, CPA, Chairman, again noted
4 that Ms. Risler would be the Chair of the
5 Communications Committee and be on the Regulatory
6 Committee.

7 Ms. Risler addressed the newsletter, noting the
8 information provided to Certified Public Accountants
9 (CPAs) of Pennsylvania.

10 It was noted that Mr. Stonesifer mentioned the
11 pushback that PICPA received regarding the listed
12 firms.

13 Ms. Fox noted the Gift Ban Policy for the Board's
14 information.

15 Chairman Scully noted the Pennsylvania Sunshine
16 Act for the Board's review.]

17 ***

18 Report of Commissioner - No Report

19 ***

20 Report of Board Administrator

21 [Sara Fox, Board Administrator, noted tentative 2020
22 Board meeting dates for review and approval.

23 Mr. Berkowitz addressed terms expiring on March
24 15, 2020.

25 Ms. Fox updates the Commissioner's Office on the

1 upcoming vacancies, noting communication with the
2 Governor's Office as well.

3 The Board discussed May and September meeting
4 dates, and Ms. Fox will have the 2020 Board meeting
5 dates locked in.

6 Ms. Fox noted Board member cost center codes for
7 rental car travel.

8 Ms. Fox also noted that travel mileage has been
9 increased.

10 Ms. Fox reviewed the Financial Disclosure Forms.]

11 ***

12 Report of Committees - No Report

13 ***

14 Review of Program Sponsor Applications

15 [Erik V. Scully, Esquire, CPA, Chairman, noted a
16 decrease in program sponsor applications.

17 Ms. Fox noted an application for review in
18 April.]

19 ***

20 Review of Experience Qualifications for CPA

21 Certification - No Report

22 ***

23 Review of Requests

24 [Barry M. Berkowitz, CPA, discussed a request for
25 extension of CPA examination credit. Mr. Berkowitz

1 stated requested a motion to approve the extension
2 request to March 31, 2019.]

3 MR. BERKOWITZ:

4 I'd like to make a motion for the Board
5 to ratify Dolly's and my decision to
6 extend this candidate to March 31, 2019.

7 I make a motion to extend AUD and
8 BEC for Ms. Musko through March 31,
9 2019. Do I have a second?

10 MR. WHITCOMB:

11 Second.

12 CHAIRMAN SCULLY:

13 Roll call.

14
15 Barry M. Berkowitz, aye; Monique M.
16 Ericson, aye; Paul J. Kelly III, aye;
17 Michael D. Ocker, aye; Sheri L. Risler,
18 aye; Alfred L. Whitcomb, aye; David W.
19 Stonesifer, aye; Michael P. Rollage,
20 aye; and Erik V. Scully, aye.

21 [The motion carried unanimously.]

22 ***

23 [Barry M. Berkowitz, CPA, discussed year-round
24 testing, where there would not be any blackout dates
25 in 2020.]

1 ***

2 Miscellaneous

3 [Sara Fox, Board Administrator, noted 2019 Board
4 meeting dates.

5 Chairman Scully noted utilizing the University of
6 Pittsburgh on September 19.]

7 ***

8 NASBA

9 [Erik V. Scully, Esquire, CPA, Chairman, noted the
10 need to discuss issues regarding the National
11 Association of State Boards of Accountancy (NASBA),
12 proposed changes to Uniform Accountancy Act Model
13 Rules and Peer Review, and the CPA Examination
14 language changes.

15 Michael D. Colgan, CAE, CEO & Executive Director,
16 Pennsylvania Institute of Certified Public
17 Accountants, noted clarity on the Peer Review
18 Oversight Committee (PROC). He also stated that
19 Pennsylvania does not have a Peer Review Oversight
20 Committee, so the rules do not apply.

21 Mr. Colgan stated the profession supports changes
22 to the proposed Model Rules with much administrative
23 clarity. He recommended that the Pennsylvania Board
24 respond to NASBA, stating that the Board had no
25 comments or no suggested changes.

1 Ms. Walter will draft the letter for the Board's
2 review in April.

3 Mr. Colgan addressed the Candidate Care Report.
4 He noted discussion at the June Board of Examiners
5 (BOE) Meeting regarding multiple restarts for
6 candidates at testing centers. He noted it to be more
7 of a Prometric issue that has gotten better.

8 Mr. Colgan addressed the CPA Exam Rule Change
9 Language, noting a relation to changing regulations.
10 He stated that currently the exam has been extended 10
11 days into the third month of the testing window and
12 will ultimately be year-round. He suggested changing
13 the wording of the regulations to match when the exam
14 will be given.

15 Mr. Rollage noted the Proposed Change to Rule
16 5-7(a)(2).

17 Ms. Walter will draft a letter to NASBA regarding
18 the language. She commented that other Boards have
19 voted on not enforcing a particular regulation pending
20 amendment to the regulation. The Board will further
21 consider the matter at its April meeting.

22 Mr. Rollage questioned whether there was a way of
23 streamlining the process when inconsistencies are
24 identified, either through communication with
25 legislature or with the commissioner's office.

1 Ms. Walter stated the Board does regulatory
2 changes and explained that statutory changes go
3 through the legislature and are not something
4 empowered by the Board.]

5

6 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
7 9:42 a.m. the Board entered into Executive Session
8 with Shana M. Walter, Esquire, Board Counsel, for the
9 purpose of conducting quasi-judicial deliberations and
10 to receive advice from Counsel. The Board returned to
11 open session at 10:46 a.m.]

12

13 MOTIONS

14 MS. WALTER:

15

We are returning from Executive Session
16 where the Board received legal advice
17 from me, Board Counsel, regarding the
18 Consent Agreement that was on the agenda
19 as well as the Commonwealth Court Appeal
20 opinion that was rendered in the matter
21 of David C. Coughlin. The Board also
22 met with Deputy Chief Counsel, Cynthia
23 Montgomery, to discuss personal matters,
24 and that concluded our Executive
25 Discussion.

1 CHAIRMAN SCULLY:

2 The only thing on the agenda now is the
3 matter at Case No. 15-55-01996.

4 Do I have a motion to accept the
5 Consent Agreement and Order at Case No.
6 15-55-01996, the Commonwealth vs.
7 Mercandante and Company, Respondent?

8 MR. BERKOWITZ:

9 So moved.

10 CHAIRMAN SCULLY:

11 Do I have a second?

12 MR. ROLLAGE:

13 Second.

14 CHAIRMAN SCULLY:

15 Roll call.

16
17 Barry M. Berkowitz, aye; Monique M.
18 Ericson, aye; Paul J. Kelly III, aye;
19 Michael D. Ocker, aye; Sheri L. Risler,
20 aye; Alfred L. Whitcomb, aye; David W.
21 Stonesifer, aye; Michael P. Rollage,
22 aye; and Erik V. Scully, aye.

23 [The motion carried unanimously.]

24 ***

25 Adjournment

1 CHAIRMAN SCULLY:

2 At this point, do I have a motion to
3 adjourn?

4 MR. BERKOWITZ:

5 So moved.

6 MR. ROLLAGE:

7 Second.

8 CHAIRMAN SCULLY:

9 Roll call.

10

11 Barry M. Berkowitz, aye; Monique M.
12 Ericson, aye; Paul J. Kelly III, aye;
13 Michael D. Ocker, aye; Sheri L. Risler,
14 aye; Alfred L. Whitcomb, aye; David W.
15 Stonesifer, aye; Michael P. Rollage,
16 aye; and Erik V. Scully, aye.

17 [The motion carried unanimously.]

18

19 [There being no further business, the State Board of
20 Accountancy Meeting adjourned at 10:48 a.m.]

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I hereby certify that the foregoing summary minutes of the State Board of Accountancy meeting, was reduced to writing by me or under my supervision, and that the minutes accurately summarize the substance of the State Board of Accountancy meeting.



Seth R. Baier,
Minute Clerk
Sargent's Court Reporting
Service, Inc.

STATE BOARD OF ACCOUNTANCY
REFERENCE INDEX

January 15, 2019

TIME

AGENDA

9:02	Official Call to Order
9:03	Approval of Minutes
9:05	Report of Prosecutorial Division
9:11	Report of Board Counsel
9:13	Report of Board Chair
9:16	Report of Board Administrator
9:42	Executive Session
10:46	Return to Open Session
10:46	Motions
10:48	Adjournment