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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
VIA TELECONFERENCE**

TIME: 10:32 A.M.

PENNSYLVANIA DEPARTMENT OF STATE

September 17, 2020

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State Board of Accountancy
September 17, 2020

BOARD MEMBERS:

Keri A. Ellis, CPA, Chair
K. Kalonji Johnson, Commissioner, Bureau of
Professional and Occupational Affairs
Monique M. Ericson, CPA, Office of Attorney General
Mary Jensik, CPA
Paul J. Kelly III, CPA
Charles A. O'Brien, CPA
Michael D. Ocker, CPA
Sheri L. Risler, CPA
Michael P. Rollage, CPA
David W. Stonesifer, CPA - Absent

BUREAU PERSONNEL:

Ronald K. Rouse, Esquire, Board Counsel
Angela B. Lucci, Esquire, Board Prosecution Liaison
Ray Michalowski, Esquire, Senior Board Prosecutor
Sara Fox, Board Administrator
Andrew LaFratte, MPA, Policy Fellow, Department of
State
Theodore Stauffer, Executive Secretary, Bureau of
Professional and Occupational Affairs

ALSO PRESENT:

Annette Knapp, Government Relations Coordinator,
Pennsylvania Institute of Certified Public
Accountants
Randy L. Brandt, CPA, Owner/Lead Accountant, Brandt
Accounting

1 ***

2 State Board of Accountancy

3 September 17, 2020

4 ***

5 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
6 9:00 a.m. the Board entered into executive session
7 with Ronald K. Rouse, Esquire, Board Counsel, to have
8 attorney-client consultations and for the purpose of
9 conducting quasi-judicial deliberations. The Board
10 returned to open session at 10:30 a.m.]

11 ***

12 The regularly scheduled meeting of the State
13 Board of Accountancy was held on Thursday, September
14 17, 2020. Ronald K. Rouse, Esquire, Board Counsel,
15 called the meeting to order at 10:32 a.m.

16 K. Kalonji Johnson, Commissioner, Bureau of
17 Professional and Occupational Affairs, was not present
18 during commencement of the meeting.

19 ***

20 [Ronald K. Rouse, Esquire, Board Counsel, stated the
21 meeting of the State Board of Accountancy was being
22 held by teleconference pursuant to Governor Wolf's
23 March 16, 2020 waiver of the physical presence
24 requirement in Section 2.3(c) of the Certified Public
25 Accountant (CPA) Law. He noted the conference was

1 being recorded, and those continuing to participate in
2 the meeting were giving their consent to being
3 record.]

4 ***

5 [Roll call was taken.]

6 ***

7 Miscellaneous - Election of Officers

8 MR. ROUSE:

9 Is there a motion for the position of
10 Chair of the State Board of Accountancy?

11 Is there such a motion?

12 MR. OCKER:

13 I nominate Keri Ellis.

14 MR. KELLY:

15 Second.

16 MR. ROUSE:

17 All those in favor of Keri Ellis as
18 Chair, say aye. All those opposed, say
19 nay.

20 [The motion carried unanimously.]

21 ***

22 MR. ROUSE:

23 As for the position of Vice Chair, is
24 there a motion for Vice Chair?

25 CHAIR ELLIS:

1 I would like to make a motion to
2 nominate David Stonesifer as Vice Chair.

3 MR. ROUSE:

4 Is there a second?

5 MR. KELLY:

6 Second.

7 MR. ROUSE:

8 Any discussion? All those in favor, say
9 aye. All those opposed, say nay.

10 [The motion carried unanimously.]

11 ***

12 Approval of minutes of the July 21, 2020 meeting

13 CHAIR ELLIS:

14 The first item we have on the agenda is
15 approval of the minutes from the July 21
16 meeting.

17 Has everyone had an opportunity to
18 review the minutes? Are there any
19 proposed changes? Hearing none, I ask
20 for a motion to approve the July 21
21 meeting minutes.

22 MR. KELLY:

23 So moved.

24 MS. RISLER:

25 Second.

1 CHAIR ELLIS:

2 All those in favor, say aye. Any
3 opposed, say nay. The Board meeting
4 minutes from the last meeting are
5 approved.

6 [The motion carried unanimously.]

7 ***

8 Case Status Report - No Report

9 ***

10 Report of Prosecutorial Division - No Report

11 ***

12 Introduction of Public Members

13 [Ronald K. Rouse, Esquire, Board Counsel, requested
14 the introduction of public members.]

15 ***

16 Report of Board Counsel

17 [Ronald K. Rouse, Esquire, Board Counsel, addressed
18 the proposed Act 41 annex for licensure by
19 endorsement. He reported receiving one written
20 comment regarding the exposure draft from Michael
21 Colgan, CAE, CEO & Executive Director, Pennsylvania
22 Institute of Certified Public Accountants (PICPA),
23 concerning the definition of "substantial
24 equivalency."

25 Mr. Rouse noted that PICPA believed, although the

1 statute already contained a definition of "substantial
2 equivalency," the proposed draft ignored the existing
3 definition and defined it for purposes of licensure by
4 endorsement. He noted PICPA's concern that a(1)(i)
5 did not require 150 hours and suggested including the
6 150-hour requirement language or to refer to and
7 incorporate Section 5.2 of the statute, which
8 establishes the substantial equivalency rather than
9 creating a new definition.

10 Mr. Rouse explained that Mr. Colgan was talking
11 about the definition in the statute in the CPA Law as
12 well as in the regulations, which refers to
13 substantial equivalency; however, that was a different
14 issue than what the Board was referring to by
15 licensure by endorsement. He stated a person can
16 obtain a CPA license by applying to the Commonwealth
17 for a licensure or obtain a CPA license by
18 reciprocity.

19 Mr. Rouse also noted another way of practicing in
20 the Commonwealth, which is practice by substantial
21 equivalency. He noted the issue with practice by
22 substantial equivalency was that this is a method
23 under the CPA Law, which allows someone to practice
24 public accounting in the Commonwealth without
25 obtaining a certificate issued by the Board.

1 Mr. Rouse further explained that a person may
2 practice public accounting in the Commonwealth under
3 substantial equivalency if the person has a valid
4 certificate or right to practice public accounting
5 from a state whose requirements are considered
6 substantially equivalent to those of the Commonwealth
7 and the individual's principal place of business was
8 not in the Commonwealth.

9 Mr. Rouse commented that the CPA Law and
10 regulations allow for reciprocal licensure and
11 practice under substantial equivalency without a
12 Commonwealth-issued license, and Act 41 licensure by
13 endorsement actually provides another path of
14 licensure for individuals who hold a current CPA
15 license from another United States jurisdiction but
16 have their principal place of business in Pennsylvania
17 or for individuals who want a Commonwealth-issued CPA
18 license even though they can practice in the
19 Commonwealth under substantial equivalency.

20 Mr. Rouse commented that substantial equivalency
21 defined under the Act was for someone who is not
22 requesting a Commonwealth-issued CPA license and
23 someone who has a principal business outside of the
24 commonwealth and have a license from another
25 jurisdiction considered substantially equivalent. He

1 noted the Board determines licensure by endorsement,
2 where someone can obtain a Pennsylvania-issued license
3 because they have fulfilled the requirements of the
4 Board for consideration of substantial equivalency
5 under licensure by endorsement.

6 Mr. Rouse stated the other jurisdictions from
7 which an individual has a CPA license would require a
8 bachelor's degree or higher from a college or
9 university accredited by an accrediting agency
10 nationally recognized by the United States Department
11 of Education or college or university approved by the
12 Board and the achievement of a passing score on the
13 Uniform Certified Public Accountant Examination or
14 other Board-approved skills examination.

15 Mr. Rouse also noted a person may obtain
16 licensure by endorsement if they demonstrate
17 competency in public accounting by showing experience
18 in the professional occupation at least 2 of the 5
19 years preceding their application and completion of 80
20 hours of continuing education and achieving a passing
21 score on a Board-approved skills examination within 5
22 years immediately preceding the date of application.

23 Chair Ellis noted the Board's intention by
24 putting "and" in the annex was to declare individuals
25 who achieved a passing score on the Uniform Certified

1 Public Account Examination would have the necessary
2 hours, which should be 150 or not. She commented that
3 every jurisdiction was going to be substantially
4 equivalent if they have a passing score on the CPA
5 Examination.

6 Mr. Rouse stated the written comment about
7 substantial equivalency refers to a very different
8 issue.

9 Ms. Risler commented that Mr. Colgan might be
10 thinking of candidates who passed the exam in other
11 jurisdictions after January 1, 2012, when the 150-
12 credit hours requirement went into effect in
13 Pennsylvania and probably not the intent of this
14 regulation. She noted the Board would not want
15 candidates to backdoor requirements if these rules
16 were not clear. She noted mentioning the 150-credit
17 hours issue when it was discussed initially and
18 believed that was reason Mr. Colgan was raising that
19 issue.

20 Mr. Rouse explained that substantial equivalency
21 under the act requires an individual's principal place
22 of business to be somewhere else other than
23 Pennsylvania, so it is like a temporary practice,
24 where the individual is doing a particular project and
25 not planning to live in Pennsylvania.

1 Mr. Rouse further explained that licensure by
2 endorsement would be for those who worked in New York,
3 got their CPA license in New York, received a new job
4 in Pennsylvania and planned to move to Pennsylvania
5 for a while. The applicant would want an actual CPA
6 license and want their license in New York to count in
7 Pennsylvania.

8 Mr. Rouse made it clear that practicing by
9 substantial equivalency was different than licensure
10 by endorsement, because with practicing by substantial
11 equivalency, an individual was not getting a license
12 issued by the Commonwealth of Pennsylvania and their
13 principal place of business was not in Pennsylvania.

14 Mr. Rouse questioned whether the Board wanted to
15 make any changes to the document or go forward with
16 preparing the regulatory packet for licensure by
17 endorsement.

18 Ms. Risler questioned whether any modifications
19 could be made to the regulations to clarify some of
20 the points discussed.

21 Chair Ellis commented that the discussion helped
22 to better explain the two separate items and suggested
23 placing language in the preamble for better
24 clarification.

25 Mr. Rouse ensured clarifying information would be

1 part of the preamble.]

2 ***

3 MR. ROUSE:

4 Is there a motion to draft the
5 regulatory packet for Act 41 licensure
6 by endorsement and bring it back to the
7 Board?

8 MR. ROLLAGE:

9 So moved.

10 MR. OCKER:

11 Second.

12 MR. ROUSE:

13 I heard a motion, and I heard a second.
14 All those in favor, say aye. All those
15 opposed, say nay.

16 [The motion carried unanimously.]

17 ***

18 [Ronald K. Rouse, Esquire, Board Counsel, addressed
19 Act 53 of 2020, which was enacted on July 1, 2020, to
20 codify Act 48 and Title 63 of the Pennsylvania
21 Consolidated Statutes under § 3102 to § 3111. He also
22 noted it created new sections § 3112 to § 3118 that
23 provide direction on how boards must consider criminal
24 convictions, such as issuance of licenses and
25 disciplinary matters.]

1 Mr. Rouse referred to § 3113, which provides the
2 procedure for determining whether an individual with a
3 criminal conviction qualifies for a license. He
4 stated the Board shall not consider moral character,
5 crimes of moral turpitude, ethics, dishonest practice,
6 § 9124 of the Criminal History Information Act, or any
7 other statutory provision that disqualifies an
8 individual from holding a license.

9 Mr. Rouse stated the Board will be determining
10 whether the criminal conviction directly relate to the
11 profession for which the individual seeks licensure by
12 reviewing the applicable schedule of offenses, which
13 must be completed by December 27, 2020. He provided a
14 definition of "directly relates."

15 Mr. Rouse stated, if the offense is on the list
16 of offenses, there would be a rebuttable presumption
17 that the licensure of the individual would pose a
18 substantial risk to the health and safety of the
19 public.

20 Mr. Rouse noted an individualized assessment
21 would occur to determine whether a license should be
22 granted anyway and provided a list of factors.

23 Mr. Rouse referred to § 3112, which provides
24 issuance of a restricted license to occupations and
25 professions other than barbers and cosmetologists as

1 an alternative to refusing to issue, renew, suspend,
2 revoke, or otherwise restrict the license due to a
3 criminal conviction.

4 Mr. Rouse stated, to be eligible to offer a
5 restricted license, the occupation or profession must
6 be one offered for training through the county
7 correctional facility or the Pennsylvania Department
8 of Corrections, noting the restricted license would
9 not apply to accountancy.

10 Mr. Rouse referred to § 3114, which states the
11 Board cannot consider an applicant's juvenile
12 adjudications.

13 Mr. Rouse referred to § 3116, where the
14 Department of State shall, within 180 days in
15 collaboration with the Board, set up a best practices
16 guide for applicants with a criminal history. He also
17 noted the commissioner must publish a schedule of
18 criminal convictions that directly relate to licensed
19 professions within 180 days. He noted discussing a
20 proposed list of crimes directly related to the
21 profession with prosecution to develop a schedule of
22 offenses.

23 Commissioner Johnson stated the plan at the next
24 Board meeting would be to elicit feedback from the
25 members of the regulated community and Board members

1 who have reviewed the list of offenses, so Act 53 can
2 be implemented by the end of December.]

3 ***

4 MOTIONS

5 MR. ROUSE:

6 Pursuant to Section 708(a)(5) of the
7 Sunshine Act, the Board entered into
8 executive session with Board counsel
9 this morning at 9 a.m. to have attorney-
10 client consultations and for the purpose
11 of conducting quasi-judicial
12 deliberations.

13 One of the matters that was
14 discussed was Case No. 17-55-013530,
15 which is the matter of BPOA v. Lorraine
16 Ann Palka, CPA.

17 As to this matter, I believe the
18 Board would entertain a motion to adopt
19 the adjudication and order as presented
20 by Board counsel and to direct Board
21 counsel to prepare the Board's final
22 order. Is there such a motion?

23 CHAIR ELLIS:

24 So moved.

25 MR. KELLY:

1 Second.

2 MR. ROUSE:

3 Any discussion? All those in favor, say
4 aye. All those opposed, say nay.

5 [The motion carried unanimously.]

6 ***

7 MR. ROUSE:

8 Number 5 on the agenda, Case No. 19-55-
9 008579, the Matter of BPOA v. Victor S.
10 Rozier, CPA. This also was a matter
11 that was discussed this morning in
12 executive session.

13 I believe the Board would entertain
14 a motion to adopt the adjudication and
15 order as presented by Board counsel and
16 to direct Board counsel to prepare the
17 Board's final order.

18 Is there such a motion?

19 MR. OCKER:

20 So moved.

21 CHAIR ELLIS:

22 Second.

23 MR. ROUSE:

24 Any discussion? All those in favor, say
25 aye. All those opposed, say nay.

1 [The motion carried unanimously.]

2 ***

3 MR. ROUSE:

4 Case No. 13-55-08142. This was actually
5 a proposed Adjudication and Order in the
6 matter of BPOA v. Neal Prence, CPA.

7 This was also a matter that was
8 discussed this morning in executive
9 session.

10 I believe the Board would entertain
11 a motion to adopt the proposed
12 adjudication and order and to direct
13 Board counsel to prepare the final
14 order.

15 Is there such a motion?

16 CHAIR ELLIS:

17 So moved.

18 MR. ROLLAGE:

19 Second.

20 MR. ROUSE:

21 Is there any discussion? All those in
22 favor, say aye. All those opposed, say
23 nay.

24 [The motion carried unanimously.]

25 ***

1 MR. ROUSE:

2 Regarding No. 7 on the agenda, which is
3 Case No. 19-55-010348. This is the
4 matter of BPOA v. Metz & McCaw LLC,
5 CPAs. This matter was discussed this
6 morning in executive session.

7 I believe the Board would entertain
8 a motion to adopt the proposed
9 adjudication and order and direct Board
10 counsel to prepare the final
11 adjudication and order.

12 Is there such a motion?

13 CHAIR ELLIS:

14 So moved.

15 MR. KELLY:

16 Second.

17 MR. ROUSE:

18 Any discussion? All those in favor, say
19 aye. All those opposed, say nay.

20 [The motion carried unanimously.]

21 ***

22 Report of Board Chair

23 [Keri A. Ellis, CPA, Chair, addressed revised Board
24 committee assignments. She also discussed a
25 governance committee for succession planning, agenda

1 topics, and overall running of the meeting. Chair
2 Ellis, Mr. O'Brien, and Ms. Risler will be on the
3 committee.

4 Ms. Risler was hopeful to soon have a solid draft
5 of the newsletter from the National Association of
6 State Boards of Accountancy (NASBA) to distribute by
7 the end of the year.

8 Chair Ellis noted the Pennsylvania Sunshine Act
9 and the Gift Ban Policy for the Board's review.]

10 ***

11 Report of Commissioner - No Report

12 ***

13 Report of Board Administrator - No Report

14 ***

15 Review of Requests

16 [Keri A. Ellis, CPA, Chair, noted extension of Peer
17 Review and extension of CPA exam credits.]

18 ***

19 MR. ROUSE:

20 For Item No. 11, which is Kollias Peer
21 Review Extension, do I have a motion to
22 ratify that Peer Review Extension?

23 MR. OCKER:

24 So moved.

25 MS. JENSIK:

1 Second.

2 CHAIR ELLIS:

3 All those in favor, say aye. All those
4 opposed, say nay.

5 [The motion carried unanimously.]

6 ***

7 MR. ROUSE:

8 Next are items 12 through 24 on the
9 agenda and are extensions of various
10 parts of the CPA exam.

11 Is there a motion to approve the
12 Extension of CPA Exam Credits for each
13 of these individuals as listed in the
14 letters in each agenda topic?

15 MR. ERICSON:

16 So moved.

17 MR. OCKER:

18 Second.

19 CHAIR ELLIS:

20 All in favor, please say aye. Anyone
21 opposed, say nay.

22 [The motion carried unanimously.]

23 ***

24 Miscellaneous

25 [Keri A. Ellis, CPA, Chair, noted the next scheduled

1 meeting is November 17. She also noted approval of
2 2021 meeting dates at the prior meeting.

3 Chair Ellis referred to the NASBA 2nd Quarter
4 Candidate Care Report, which notes all candidate
5 issues as they are taking the exam. She noted 890
6 issues and 14 retests awarded in Pennsylvania from
7 April 1 through June 10.

8 Chair Ellis addressed the NASBA CPA Exam
9 Performance and Overall Statistics for the 2nd quarter
10 of 2020. She noted Pennsylvania had a ranking of 10
11 for the number of candidates, 38 for a pass rate, and
12 34 for an average score.

13 Chair Ellis noted NASBA 2020 membership dues of
14 \$6,600.]

15

16 [Board members congratulated Chair Ellis on completing
17 her first meeting.

18 Chair Ellis noted being honored and excited to be
19 meeting with everyone again in person.]

20

21 Adjournment

22 CHAIR ELLIS:

23 I'd like to make a motion to adjourn.

24 MR. KELLY:

25 Second.

1 CHAIR ELLIS:

2 All those in favor, say aye. Opposed?

3 [The motion carried unanimously.]

4 ***

5 [There being no further business, the State Board of
6 Accountancy Meeting adjourned at 11:29 a.m.]

7 ***

8

9 CERTIFICATE

10

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

16

17

18 

19 Morgan McKendrick,

20 Minute Clerk

21 Sargent's Court Reporting

22 Service, Inc.

23

24

25

STATE BOARD OF ACCOUNTANCY
REFERENCE INDEX

September 17, 2020

	TIME	AGENDA
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2		
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7		
8	9:00	Executive Session
9	10:30	Return to Open Session
10		
11	10:32	Official Call to Order
12		
13	10:33	Roll Call
14		
15	10:34	Miscellaneous
16		
17	10:36	Approval of Minutes
18		
19	10:38	Introduction of Public Members
20		
21	10:39	Report of Board Counsel
22		
23	11:21	Report of Board Chair
24		
25	11:23	Review of Requests
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27	11:27	Miscellaneous (Continued)
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29	11:29	Adjournment
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