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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
SPECIAL PUBLIC SESSION**

TIME: 9:01 A.M.

Held at

PENNSYLVANIA DEPARTMENT OF STATE

2601 North Third Street
One Penn Center, Board Room C
Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

August 14, 2023

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State Board of Accountancy
Special Public Session
August 14, 2023

BOARD MEMBERS:

- Sheri L. Risler, CPA, Chair
- Arion Claggett, Acting Commissioner, Bureau of Professional and Occupational Affairs - Absent
- Frank P. Buzydlowski, Esquire, Public Member - Absent
- Keri A. Ellis, CPA - Absent
- Monique M. Ericson, CPA, Office of Attorney General
- John J. Grater, CPA
- Benjamin Holland, CPA
- Mary Jensik, CPA - Absent
- Charles A. O'Brien, CPA
- Michael D. Ocker, CPA, Vice Chair
- John Petchel, Public Member, in person

BUREAU PERSONNEL:

- Ronald K. Rouse, Esquire, Board Counsel
- Miranda Murphy, Board Administrator
- Michael McDonald, Policy Director, Department of State
- Marc Farrell, Esquire, Regulatory Counsel, Office of Chief Counsel, Department of State

ALSO PRESENT:

- Danie Bendesky
- Peter N. Calcara
- Lori A. Behe

1 ***

2 State Board of Accountancy

3 Special Public Session

4 August 14, 2023

5 ***

6 [Ronald K. Rouse, Esquire, Board Counsel, stated this
7 was a Special Meeting of the State Board of
8 Accountancy being held in a hybrid format both
9 in-person and livestream teleconference pursuant to
10 Act 100 of 2021, which requires boards to use a
11 virtual platform to conduct business when a public
12 meeting is held.]

13 ***

14 The State Board of Accountancy Special Meeting
15 was held on Monday, August 14, 2023. Sheri L.
16 Risler, CPA, Chair, called the meeting to order at
17 9:01 a.m.

18 ***

19 Roll Call

20 [Sheri L. Risler, CPA, Chair, requested a roll call
21 of Board members.]

22 ***

23 Introduction of Attendees

24 [Sheri L. Risler, CPA, Chair, requested an
25 introduction of attendees.]

1 ***

2 Matters for Deliberation

3 [Ronald K. Rouse, Esquire, Board Counsel, referred
4 members to discussion a written comment of Regulation
5 16A-5519, General Revisions.

6 Mr. Rouse recapped that on April 24, 2023,
7 Regulation 16A-5519 was released as an exposure draft
8 to Accountancy stakeholders. He explained the
9 proposed regulation is a general update of the State
10 Board of Accountancy's regulation relating to
11 examinations, educational requirements, verification
12 of experience and peer review in accordance with Act
13 110 of 2022 which contained amendments to the CPA
14 Law.

15 Mr. Rouse noted that the Annex went out again as
16 an amended version on April 26, 2023, due to an
17 amendment which changed the amount of time that CPA
18 candidates would be permitted to take the CPA exam,
19 which would allow up to a 30-month time period in
20 order to pass all sections of the CPA exam instead of
21 the previously proposed 24 months that had been in
22 the April 24 annex.

23 Mr. Rouse indicated the first written comment
24 regarding regulation 16A-5519 was submitted to the
25 Board on June 30, 2023 by the Pennsylvania Institute

1 of Certified Public Accountants which endorsed the
2 extension of the examination completion period.

3 Mr. Rouse addressed three main issues that the
4 PICPA had strong reservations about and referred
5 members to the written comments provided by PICPA.

6 The first issue was regarding the inclusion of
7 Section 11.57(b) in the regulations on page 10 of the
8 annex which identifies the type of technology courses
9 that would meet the education requirement for CPA
10 licensure. The amendment states the following:
11 technology as used in a(1), a(2), a(3) or a(4) refers
12 to accounting technology and information technology
13 courses that teach computer software and applications
14 used by CPAs in performing professional services,
15 including but not limited to data analytics,
16 management information systems, database management,
17 computer networking, cyber security, computer
18 programming, blockchain, cloud computing and EPR
19 products. PICPA's written comments note the list is
20 too prescriptive and may penalize students who take
21 courses that are not on the list, and NASBA
22 regulations only call for information systems and
23 technology for educational requirements.

24 Mr. Calcara, PICPA, commented the General
25 Assembly did not feel the need to articulate those

1 specific courses as it does not delineate in enabling
2 statute any type of accounting and auditing courses
3 that should be taken, and is too prescriptive and not
4 an area that the Board should have clearly delineated
5 in its regulations.

6 Mr. Rouse explained that the Board is trying to
7 envision accountants as well-rounded professionals
8 and keeping up with technological requirements, and
9 PICPA sees this as delineating specific courses would
10 limit the type of courses that could be considered
11 appropriate technology courses. Mr. Rouse noted for
12 the Board's information that when applications are
13 reviewed, the applicant can be requested to submit a
14 course outline and course syllabus to give more
15 information regarding the course.

16 Chair Risler noted that computer courses clearly
17 relevant to accounting must get into the regulation
18 so that the Board is accepting appropriate courses.
19 She stated that communication with NASBA is important
20 as they review candidate applications.

21 Mr. O'Brien commented that the language that
22 refers to "that teach computer software in
23 applications used by CPAs in performing professional
24 services", and the language "used by CPAs" is
25 problematic restricted language and should be

1 removed. He also commented that acronyms such as ERP
2 should not be used.

3 There was discussion regarding how work
4 experience should be evaluated before a license is
5 issued. Mr. Rouse commented that CPAs are being
6 prepared to work anywhere through the technology
7 courses.

8 Ms. Ericson suggested substituting "in the
9 profession" for CPAs in the regulation language. She
10 noted the importance of guidance for candidates; just
11 technology is so broad.

12 Mr. Rouse clarified that language used in a(1),
13 a(2), a(3) or a(4) would refer to accounting,
14 technology and information technology courses
15 relevant to the services provided or performed by a
16 CPA, including but not limited to technology as used
17 in a(1) through a(4), accounting technology and
18 information technology courses relevant to services
19 provided by the CPA including but not limited to data
20 analytics, et cetera. Chair Risler suggested adding
21 AI and suggestions given by PICPA.

22 Mr. Calcara questioned whether the regs
23 stipulate other courses for other academic areas such
24 as what classes qualify for auditing and accounting
25 and other areas. Chair Risler indicated it does not

1 but courses will indicate auditing, advanced
2 auditing, IT auditing. Mr. O'Brien noted no need to
3 "gum up" the regulations with specific courses which
4 may some day have to be changed in the regs again.
5 Mr. Rouse commented that the Board office is very
6 good about reviewing and determining relevancy of
7 transcripts. Chair Risler stated, "This is brand
8 new." NASBA and the Board has not had to evaluate
9 tech courses. She noted a booklet issued by PICPA to
10 Pennsylvania candidates outlines the courses and is a
11 guide to candidates applying for the exam and
12 suggested that language be included to help
13 candidates evaluate and determine what courses are
14 relevant.

15 Mr. Grater inquired if there was any authority
16 in Pennsylvania less than a regulation but clarifies
17 regulations. Mr. Rouse indicated the list could be
18 in a policy statement. It was noted a policy
19 statement that gives guidance to students would be
20 easier to change than a regulation.

21 Chair Risler suggested that the language in
22 Section 11.57(b) be changed as described earlier,
23 remove the courses in connection with developing a
24 policy statement. Mr. Rouse summarized that the
25 language would include the language of technology

1 that is used in a(1), a(2), a(3), a(4) accounting
2 technology and information technology courses
3 relevant to service provided by the CPA and leaving
4 it without that list and including the policy
5 statement.

6 Mr. Calcara stated PICPA would be supportive of
7 that language with the policy statement.

8 Mr. Rouse referred to the second issue for
9 further discussion which notes that the PICPA has
10 reservations about the amendment to Section
11 11.82(d)(2) of the regulations in the Annex which is
12 regarding claiming exception from peer review. The
13 regulation reads as follows: Exemption under Section
14 8.9(g)(2) of the Act, a notarized statement from the
15 firm that the following conditions have been met.
16 The firm has not accepted or performed any
17 attestation engagements other than a compilation
18 during the preceding two years.

19 Mr. Rouse indicated that per PICPAs written
20 statement, sending a notarized statement appears to
21 be excessive. He stated the only change made to this
22 section was the part that says "audit or review
23 engagement" is changed to "attestation engagements
24 other than a compilation" to comply with the
25 amendment to the statute. Mr. Calcara will discuss

1 comments with peer review folks.

2 Mr. Rouse referred to the third issue for
3 further discussion which notes that PICPA has
4 reservations about the amendment to Section
5 11.82(d)(3) of the regulations. The regulation reads
6 as follows: Exemption under Section 8.9(g)(3) of the
7 Act, the firm shall provide to the Board a copy of a
8 grant of an extension including the resulting new due
9 date within 30 days of receipt from the peer review
10 administrating organization.

11 Mr. Rouse indicated that per PICPA, this is
12 incredibly burdensome for both the firms and the
13 Board staff. Mr. Rouse explained this part of the
14 regulations is being amended to comply with the new
15 statutory language of the CPA Law under 8.9(g)(3)
16 which states that a firm shall be exempt from the
17 requirement to undergo a peer review if for reasons
18 of personal health, military services or other good
19 cause, the firm shall provide to the Board a copy of
20 a grant of an extension including the resulting new
21 date within 30 days of receipt from the
22 administrating organization. Mr. Calcara will
23 discuss comments with peer review folks.]

24 ***

25 MOTIONS

1 MR. ROUSE:

2 The Chair is entertaining a motion to amend
3 Section 11.57(b) of the proposed Annex to
4 state the following: Technology as used in
5 Subsections a(1), a(2), a(3) or a(4) refers
6 to accounting technology and information
7 technology courses relevant to services
8 provided by the CPA.

9 MR. O'BRIEN:

10 So moved.

11 CHAIR RISLER:

12 Second?

13 MR. HOLLAND:

14 I'll second.

15 CHAIR RISLER:

16 Roll call?

17

18 Risler, aye; Ericson, aye; Grater, aye;
19 Holland, aye; O'Brien, aye; Ocker, aye;
20 Petchel, aye.

21 [The motion carried unanimously.]

22

23 MR. ROUSE:

24 Would the Board entertain a motion to adopt
25 the amended proposed Annex and direct Board

1 Counsel to continue with the regulatory
2 process by drafting a preamble?

3 CHAIR RISLER:

4 Is there a motion?

5 MR. O'BRIEN:

6 So moved.

7 CHAIR RISLER:

8 Second?

9 MR. OCKER:

10 Second.

11 [There was further discussion. Mr. Rouse explained
12 that the process involved with amending regulations
13 begins with drafting the annex which is presented to
14 the Board for review and then the annex is sent out
15 as an exposure draft for review by stakeholders.

16 PICPA submitted written comments, which were
17 discussed. After the Board adopts the proposed
18 Annex, a preamble will come before the Board for
19 review. Then a regulatory package would be prepared
20 and submitted to the legislature and IRRC for
21 review.]

22 CHAIR RISLER:

23 Roll call?

24

25 Risler, aye; Ericson, aye; Grater, aye;

1 Holland, aye; O'Brien, aye; Ocker, aye;
2 Petchel, aye.

3 [The motion carried unanimously.]

4 ***

5 [Mr. Rouse will provide policy procedure information
6 at the next meeting which is scheduled for September
7 19, 2023.]

8 ***

9 Adjournment

10 CHAIR RISLER:

11 Do I have a motion to adjourn?

12 MR. HOLLAND:

13 So moved.

14 MR. OCKER:

15 second.

16 [The motion carried unanimously.]

17 ***

18 [There being no further business, the Special Public
19 Session of the State Board of Accountancy adjourned
20 at 9:56 a.m.]

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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.



Derek Richmond,
Minute Clerk
Sargent's Court Reporting
Service, Inc.

STATE BOARD OF ACCOUNTANCY
SPECIAL PUBLIC SESSION
REFERENCE INDEX

August 14, 2023

TIME

AGENDA

- 9:01 Official Call to Order
- 9:01 Roll Call/Introduction of Attendees
- 9:02 Matters for Deliberation
- 9:50 Motions
- 9:56 Adjournment

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