

FINAL/Approved for 2016 Annual Planning Meeting June 16, 2016  
**THE VIRGINIA BOARD OF ACCOUNTANCY**

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The Virginia Board of Accountancy (VBOA) met on Thursday, June 16, 2016 in Board Room #3 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

**MEMBERS PRESENT:** Stephanie S. Saunders, CPA, Chair  
Marc B. Moyers, CPA, Vice Chair  
Matthew P. Boshier, Esq.  
Susan Quaintance Ferguson, CPA  
James M. “Jim” Holland, CPA

**MEMBERS ABSENT:** D. Brian Carson, CPA  
Andrea M. Kilmer, CPA

**LEGAL COUNSEL PRESENT  
FOR A PORTION OF THE  
MEETING:**

Kristina Perry Alexander, Senior Assistant Attorney General & Section Chief, Office of the Attorney General

**STAFF PRESENT:**

Wade A. Jewell, Executive Director  
Chantal K. Scifres, Deputy Director  
Mary T. Charity, Director of Operations  
Rebekah Allen, Enforcement Director  
Kelli Anderson, Communications Manager  
Patti Hambright, CPE/Peer Review Coordinator/Administrative Assistant

**MEMBERS OF THE  
PUBLIC PRESENT:**

Daniel J. Dustin, CPA, Vice President of State Board Relations, National Association of State Boards of Accountancy  
Kevin Savoy, CPA, CGMA, Audit Director, APA  
Nicole Taylor, CGFM, Audit Supervisor, APA  
Maureen Dingus, Chief Operating Officer, Virginia Society of Certified Public Accountants  
Darshae Dabney, Regulatory and Legislative Affairs Manager, Virginia Society of Certified Public Accountants  
Amy Mawyer, Vice President, Strategy and Development, Virginia Society of Certified Public Accountants  
Linda Newsom-McCurdy, Education Director, Virginia Society of Certified Public Accountants  
Michael E. Batts, CPA, Batts Morrison Wales & Lee P.A.  
Yvonne M. Brubacher  
Daniel Dean Busby, President, Evangelical Council for Financial Accountability  
Joseph P. Fitzpatrick, President, 20-20 Services, LLC  
Charles (Chuck) E. James Jr., Esq., Williams Mullen

## **CALL TO ORDER**

Chair Saunders called the meeting to order at 9:00 a.m.

## **SECURITY BRIEFING**

Ms. Hambright provided the emergency evacuation procedures.

## **DETERMINATION OF QUORUM**

Chair Saunders determined there was a quorum present.

## **APPROVAL OF AGENDA**

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to approve the June 16, 2016 agenda as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Ms. Ferguson and Mr. Holland.

## **APPROVAL OF MINUTES**

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to approve the May 6, 2016, Board meeting minutes as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Ms. Ferguson and Mr. Holland. (Note: Mr. Boshier did not vote as he was not present at the May 6, 2016 Board meeting).

## **APPROVAL OF CONSENT ORDERS AS CONSENT AGENDA**

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to approve the June 16, 2016 consent orders as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Ms. Ferguson and Mr. Holland.

## **ORAL PRESENTATION**

As part of a consent order agreement, Ms. Brubacher read her essay on the topic of “integrity and its impact on public trust in the CPA profession.”

## **PUBLIC COMMENT PERIOD**

Ms. Saunders welcomed and invited members of the public to provide comments. No comments were provided at this time.

## **APA – FY2015 AUDIT UPDATE**

Mr. Savoy, CPA, CGMA, Audit Director, Auditor of Public Accounts (APA) led the discussion regarding the results of the annual FY2015 audit. He noted the overall audit objective was to express an opinion on the financial statements and consider internal controls over financial reporting as well as compliance with certain provisions of laws, regulations, contracts and grant agreements. The audit period encompassed July 1, 2014 through June 30, 2015. Mr. Savoy reported the APA has concluded its FY2015 audit and reported no findings. Mr. Savoy reported that the audit went smoothly noting the financial statements were presented fairly in all material respect, no internal control findings required

management's attention, and there were no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Mr. Savoy gave a brief overview of the Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting & Financial Reporting for Pensions* and fielded questions from Board members. Mr. Jewell thanked Ms. Scifres for her behind-the-scenes work, ensuring the APA FY2015 audit was a success. Mr. Savoy noted the conscientiousness work of Ms. Scifres had made the FY2015 audit compliance a much easier task. Mr. Jewell thanked Mr. Savoy and Ms. Taylor for their professionalism and approach to the FY2015 audit.

Mr. Moyers noted the APA's delay this year in completing the FY2015 audit, and requested that the APA considering moving up the audit period earlier in the year to ensure a more timely completion date. Mr. Savoy noted that he was aware of the delay, and would take Mr. Moyer's recommendation into consideration for future audits.

### **INTRODUCTIONS/PUBLIC COMMENT PERIOD, continued**

Ms. Saunders welcomed members of the public in attendance to speak regarding an enforcement case on the agenda.

Mr. Chuck James introduced himself as counsel for Mr. Busby. He thanked the Board for the opportunity to come before the Board and express his opinions regarding the presiding officer's recommendation regarding Mr. Busby's enforcement case. Mr. James agreed with the Board's findings but would like the Board to consider reducing the imposed monetary penalty. Mr. James felt the monetary penalty was dramatically larger than warranted.

Mr. Michael Batts introduced himself and thanked the Board for the privilege to come before the Board and speak on behalf of Mr. Busby. He noted he had known Dan (Mr. Busby) for 20 years, and Dan was known for always doing the right thing. He noted the ECFA (Evangelical Council for Financial Accountability) is all about doing the right thing, and Mr. Busby had made an honest mistake.

Mr. Daniel Busby introduced himself and noted his mistake was unintentional. He noted he had made the mistake in 1999 after moving to the state of Virginia. He indicated his benefit from using the CPA designation was marginal. He noted he could be a credit to the profession and looked forward to applying for a Virginia license in the future.

### **ENFORCEMENT**

#### **BEGIN CLOSED MEETING**

Upon a motion by Mr. Moyers, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed on our agenda a matter lawfully exempted from open meeting requirements under the 'consulting with legal counsel' and 'disciplinary proceedings' exemptions contained in Virginia Code § 2.2-3711(A)(7),(27)." The following non-member will be in attendance to reasonably aid the consideration of this topic: **Kristina Perry Alexander**. The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: **Wade Jewell and Rebekah Allen**.

**END CLOSED MEETING**

Upon a motion by Mr. Moyers, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
Susan Quaintance Ferguson, CPA – Aye  
James M. “Jim” Holland, CPA – Aye

VOTE:

AYES: Five (5)  
NAYS: None.

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The following actions were taken as a result of the closed session:

Case #2015-U0022 (Bradshaw & Moyers)

Mr. Moyers, Mr. Jewell and Ms. Allen did not participate in the discussion.

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to accept the presiding officer's recommendations as amended

CALL FOR VOTE:

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Abstain  
Matthew P. Boshier, Esq. – Aye  
Susan Quaintance Ferguson, CPA – Aye  
James M. “Jim” Holland, CPA – Aye

VOTE:

AYES: Four (4)  
NAYS: None.

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The following actions were taken as a result of the closed session:

Case #2016-CPE-0011 (Jewell)

Mr. Jewell and Ms. Allen did not participate in the discussion.

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to accept the presiding officer's recommendations as amended.

**CALL FOR VOTE:**

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
Susan Quaintance Ferguson, CPA – Aye  
James M. “Jim” Holland, CPA – Aye

**VOTE:**

AYES: Five (5)  
NAYS: None.

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The following actions were taken as a result of the closed session:

Case #2015-PR0011 (Bradshaw & Moyers)

Mr. Jewell and Ms. Allen did not participate in the discussion.

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to accept the presiding officer's recommendations as amended.

**CALL FOR VOTE:**

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Abstain  
Matthew P. Boshier, Esq. – Aye  
Susan Quaintance Ferguson, CPA – Aye  
James M. “Jim” Holland, CPA – Aye

**VOTE:**

AYES: Four (4)  
NAYS: None.

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The following actions were taken as a result of the closed session:

Ms. Ferguson, Mr. Jewell and Ms. Allen did not participate in the discussion.

Ms. Saunders noted Case #2015-U0020 (Kilmer & Ferguson) had been deferred for further discussion.

**NASBA UPDATE**

Dan J. Dustin, CPA, serves as NASBA's Vice President of State Board Relations. As an advocate for state boards of accountancy seeking to find new ways and opportunities to provide support and service, he led the discussion regarding NASBA's mission, goals, available resources and current activities to improve/ensure involvement and participation by all state boards. He noted the accounting licensing database, CPE tracker, legislative tracking, communications and strategic planning as just a few of the tools provided by NASBA. Ms. Saunders thanked Mr. Dustin for his presentation to the Board and for fielding questions.

## **PRESENTATION OF DISCUSSION TOPICS**

Typically during the annual planning meeting the Board Chair turns the discussion topics portion of the meeting over to the Board's Vice-Chair. Ms. Saunders followed suit and turned the meeting over to Mr. Moyers.

## **POTENTIAL 2017 LEGISLATIVE AGENDA (STATUTE CHANGES)**

Mr. Jewell led the discussion regarding the potential 2017 legislative agenda (statute changes). The Board reviewed and discussed proposed statute changes. Definitions no longer used were stricken while other definitions were updated. The term "using the CPA title" was stricken, where appropriate, from the statutes to coincide with the Board's Regulations which state that if an individual holds a Virginia CPA license, it is presumed the licensee is using the CPA title. Mr. Jewell noted all proposed statute updates would need to be completed by late September/early October in an effort to move forward with changes as directed by the Governor. The topic will be discussed further at the next Board meeting.

## **RECESS FOR WORKING LUNCH 12:15 PM**

## **RECONVENE 12:30 PM**

## **DISCUSSION TOPICS, continued**

### **Active – Renewal Fee Delinquent Status**

Mr. Jewell led the discussion regarding the active-renewal fee delinquent status. As previously discussed with the Board, Mr. Jewell has suggested the Board eliminate this status. Licensees would go from Active to Expired if their license was not renewed in time. Safeguards would be put in place to ensure that multiple reminder notices are sent to licensees prior to their license expiring. A single renewal date for all licensees was also further discussed. This topic will be discussed further at the next Board meeting.

## **RECOGNITION**

Mr. Jewell took this opportunity to thank Ms. Saunders, Mr. Moyers and Mr. Boshier for their contribution in leading and advancing the VBOA, as their initial terms were coming to an end on June 30, 2016. The Board was joined by VBOA staff Mr. Tazza, Ms. Haddon and Ms. Prioleau in recognition of the Board members' contributions. Ms. Saunders, Mr. Moyers and Mr. Boshier have applied for re-appointment and are awaiting word from the Governor's Office.

## **DISCUSSION TOPICS, continued**

## **POTENTIAL REGULATION CHANGES**

Mr. Jewell led the discussion regarding potential regulation changes. The Board reviewed and discussed proposed changes, including financial statement preparation services, using the CPA title, 18VAC5-22-80 (Examination) and 18VAC5-22-90 (CPE). The topic will be discussed further at the next Board meeting.

## **CPA EXAM**

Mr. Jewell led the discussion regarding the CPA exam update. He noted the new version of the Uniform CPA Examination would launch on April 1, 2017. Scores for the first quarter of the new exam will not be released for 10 weeks after the quarter close. State boards may have to adjust the 18-month expiration of credit for any scores that are expiring in the CY2017 Q3 and Q4 testing windows. Additional guidance would be forthcoming from NASBA. The AICPA is expanding the quarterly testing window a few days into the traditional black out months beginning with June 2016. The extension would not be offered during the CY2017 Q2 testing window.

## **EXPERIENCE REQUIREMENT**

Ms. Saunders led the discussion regarding the CPA licensure experience requirement. As with most boards of accountancy, the experience requirement aligns with the UAA with one year of experience required. However, due to audit quality issues, there is some discussion at the national level that there may need to be more experience required for firms, prior to firms offering attest, compilation or financial statement preparation services. She also noted in recent history a candidate's one year of experience had to be verified by a licensed CPA. At this time the Board's statutes and regulations do not require a CPA to verify experience prior to licensure. Mr. Jewell noted NASBA was offering a new service to verify experience for international candidates. The topic was deferred awaiting further discussion among all Board members.

## **EDUCATION REQUIREMENTS**

Mr. Jewell led the discussion regarding education requirements. He noted NASBA was addressing fraudulent universities and transcripts and had offered to provide training to the VBOA staff. Mr. Jewell plans to follow up on the offer.

## **PRACTICE CONTINUATION/SUCCESSION PLANNING**

Ms. Saunders led the discussion regarding practice continuation/succession planning. A draft document created by the AICPA and NASBA was provided for review. Ms. Saunders noted the importance of maintaining records correctly and having a succession plan in place. She suggested the implementation of a task force or committee to further discuss this topic. Mr. Moyers suggested adding succession planning to the annual ethics training.

## **ACTIVE-CPE EXEMPT STATUS**

Ms. Charity updated the Board with Active-CPE Exempt status applications. She noted 1,694 Active-CPE Exempt status applications have been received, with a total of 1,148 approved and 546 denied as of May 31, 2016.

The AICPA and NASBA, through the Uniform Accountancy Act (UAA), are in favor of creating a "Retired CPA" status. Mr. Moyers noted the VBOA has the Active-CPE Exempt status and is not in agreement with the "Retired CPA" status as presented in the proposed changes to the UAA.

## **USE OF CGMA TITLE**

Ms. Saunders led the discussion regarding the use of the CGMA title. Ms. Saunders had confirmed that NASBA agrees with the Board that based on the current language in our statutes, there is not an issue for non-CPAs to use the CGMA title in Virginia.

## **BOARD COMMITTEES**

Mr. Moyers led the discussion regarding Board committees. He noted the Ethics Committee has several openings and the Peer Review Oversight Committee has one opening. Mr. Moyers noted committee rotations are in place. Mr. Jewell will coordinate the process to recruit new members. Mr. Jewell suggested that the Board consider compensating specific Board committee members. Mr. Moyers noted the Ethics Committee generally meets once annually and compensation is not of concern. However, PROC members have a large time commitment. Mr. Jewell noted the Oklahoma Board of Accountancy currently pays PROC members \$150 per hour, and Arkansas will soon implement the same hourly rate.

Mr. Jewell also requested the Board consider compensating non-Board member Enforcement Committee volunteers. Mr. Jewell also noted that Mr. Bradshaw, former Chair and Board member, is on the Enforcement Committee with a memorandum of agreement expiration date of June 30, 2016. Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to continue Mr. W. Barclay Bradshaw's contracted services for the Enforcement Committee to expire on June 30, 2017. The members voting "AYE" were Ms. Saunders, Mr. Moyers, Mr. Boshier, Ms. Ferguson and Mr. Holland.

## **BOARD POLICY #5 – PUBLICATION OF BOARD DISCIPLINARY ACTION**

Mr. Jewell led the discussion regarding Board Policy #5 – Publication of Board Disciplinary Action. He noted the California Board of Accountancy's initiative to determine substantial equivalency with other boards from an enforcement perspective is moving forward. A board of accountancy will not be considered to be substantially equivalent unless enforcement actions are published in the Accountancy Licensing Database (ALD) or for public access on the board's website. Mr. Jewell noted the VBOA does not publish first time CPE deficiencies (unless the licensee has had previous deficiencies of any kind, or if the CPE deficiency results in suspension), and under our current policy the VBOA may not meet California's conformity. Mr. Jewell will follow up with California on this issue.

## **VIRGINIA-SPECIFIC ETHICS COURSE**

Mr. Moyers led the discussion regarding the 2016 Virginia-Specific Ethics Course updates. He noted he had attended the course and expressed positive feedback. Ms. Newsom-McCurdy noted currently for the CY2016 Virginia-Specific Ethics Course there were 16 approved providers. Ms. Charity and Ms. Anderson had reviewed the summary of comments received from sponsors and noted overall there was an above average rating. Ms. Charity and Ms. Anderson suggested that due to the complexity of combining comments from multiple and unique evaluation forms, they will work with the VSCPA to develop a more uniform evaluation form for approved sponsors to be considered by the Board.

## **NEW DATABASE/MANAGEMENT SYSTEM**

Mr. Jewell led the discussion regarding the new database/management system. Mr. Jewell posed various scenarios for Board member consideration regarding license renewal and affirmation of obtained CPE. The topic was deferred awaiting further discussion among Board members.

## **BACKGROUND CHECKS FOR LICENSEES**

Mr. Moyers led the discussion regarding background checks for licensees. The topic was deferred awaiting further discussion among all Board members.

## **REVENUE PROJECTIONS**

Mr. Jewell led the discussion regarding revenue projections. He noted that with the anticipated cost range for the new database/management system, and the impact of GASB 68 on our financial statements, there was not a concern at this time about the balance in the Trust Account. This issue will be closely monitored and reported on, however.

## **OTHER TOPICS**

Mr. Jewell provided Board members with a current fee schedule and revenue handout. Mr. Jewell suggested that the Board members consider the benefit of low dollar items. The topic was deferred awaiting further discussion regarding proposed regulation changes among all Board members.

Mr. Jewell noted the VSCPA provides recognition for licensees who have held membership for 40 years. He noted the VBOA may want to consider recognizing CPAs that have been licensed 50 years and more. Ms. Anderson provided research indicating there were approximately 35 CPAs who have held their Virginia CPA license for 50 years or more. Ms. Anderson will contact each licensee to obtain approval to publish their names in our newsletter.

Ms. Anderson provided the survey results for CPA licensees who have either let their license expire or voluntarily surrendered their license from January 1, 2016 through April 30, 2016. She noted on May 20, 2016 an email was sent to 320 email addresses requesting individuals to complete a short six question survey. The survey resulted in 66 responses, with 40 licensees having voluntarily surrendered their license and 26 had let their license expire. The majority of the expired licensees noted they were either licensed in another state, had relocated out of Virginia or their job no longer required an active license. The majority of licensees that had voluntarily surrendered their license stated retirement or they were licensed in another state as the reason.

## **ADDITIONAL ITEMS FOR DISCUSSION**

### **Carry Over Items / Potential Future Topics**

- CPE – VBOA/VSCPA discussions
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Fraudulent Transcripts and CPE Certificates
- Professional Issues/Updates – Board responses
- North Carolina Dental Case
- Review 1 Year Experience for Licensure, including verification
- Succession Planning

### **Sign Conflict of Interest Forms**

### **Sign Travel Expense Vouchers**

### **Meeting Dates**

November 10, 2016 (Christopher Newport University campus); other dates to be determined.

**BEGIN CLOSED MEETING**

Upon a motion by Mr. Moyers, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately reconvene in a closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to the Board of Accountancy Staff, a matter lawfully exempted from open meeting requirements under the ‘personnel matters’ exemption contained in Virginia Code § 2.2-3711.A.1. The following non-member will be in attendance for a portion of the closed meeting to reasonably aid the consideration of this topic: Wade Jewell, Executive Director. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Ms. Ferguson and Mr. Holland.

**END CLOSED MEETING**

Upon a motion by Mr. Moyers, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
Quaintance Ferguson, CPA – Aye  
James M. “Jim” Holland, CPA – Aye

**VOTE:**

AYES: Five (5)  
NAYS: None

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**ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Mr. Holland, and duly seconded, the meeting was adjourned by unanimous vote at 5:00 p.m. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Ms. Ferguson and Mr. Holland.

**APPROVED:**

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S. Saunders, CPA, Chair

**COPY TESTE:**

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Wade A. Jewell, Executive Director