

FINAL/Approved for August 17, 2016
THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Wednesday, August 17, 2016 at the Virginia Society of CPAs, 4309 Cox Road, Glen Allen, Virginia 23060.

MEMBERS PRESENT: James M. “Jim” Holland, CPA, Chair
Matthew P. Boshier, Esq., Vice Chair
D. Brian Carson, CPA
Susan Quaintance Ferguson, CPA
Andrea M. Kilmer, CPA
Stephanie S. Saunders, CPA
Laurie A. Warwick, CPA

LEGAL COUNSEL: Anna Birkenheier, Assistant Attorney General, 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
Christine Rappe, CPE Coordinator

MEMBERS OF THE PUBLIC PRESENT: Tyrone E. Dickerson, CPA, NASBA At-Large Director and Diversity Committee Chair, former Board member and Chair
Maureen Dingus, Chief Operating Officer, Virginia Society of Certified Public Accountants
Emily Walker, Vice President, Advocacy, 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
Patrick A. Cushing, Esq., Williams Mullen

CALL TO ORDER

Chairman Holland called the meeting to order at 10:00 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Chairman Holland determined there was a quorum present.

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APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the August 17, 2016 agenda as amended. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

APPROVAL OF CONSENT AGENDA / CONSENT ORDERS

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the August 17, 2016 consent agenda. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the June 16, 2016 Board meeting minutes as presented. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Ms. Ferguson and Ms. Saunders. (Note: Mr. Carson, Ms. Kilmer and Ms. Warwick were not present at the June 16, 2016 Board meeting.)

PUBLIC COMMENT PERIOD

Mr. Holland welcomed and invited members of the public to provide comments. Mr. Holland thanked the VSCPA for their hospitality in providing an off-sight location for the meeting. No comments were provided at this time.

WELCOME AND BOARD INTRODUCTIONS TO NEW BOARD MEMBER

Mr. Holland welcomed Ms. Warwick to the Board. Mr. Holland asked Board members, staff and the public to introduce themselves.

COMMITTEE/NASBA UPDATES

Mr. Holland led the discussion regarding the VBOA Committee Assignments for the coming year. He thanked the Board members for their dedication and time. Mr. Holland noted the Communications Committee liaison had not yet been determined. Ms. Saunders offered her services as she currently sits on the NASBA Communications Committee. Board member Committee assignments are as follows:

Jim Holland, Susan Quaintance Ferguson, Andrea M. Kilmer and Stephanie S. Saunders – Enforcement Committee, along with Barclay Bradshaw, Marc Moyers (potentially) and Wade Jewell.
Susan Quaintance Ferguson – Education Committee
Laurie A. Warwick – Peer Review Oversight Committee liaison
Matthew P. Boshier and D. Brian Carson – Ethics Committee liaisons
Stephanie S. Saunders – Communications Committee liaison

Mr. Holland led the discussion regarding the NASBA CPE Committee. Mr. Holland noted effective September 1, 2016 the AICPA (American Institute of Certified Public Accountants) and NASBA (National Association of State Board of Accountancy) approved the updated Statement on Standards for Continuing Professional Education (CPE). The changes enable nano-learning and blended-learning. Mr. Holland noted the NASBA National Registry Summit would be held September 12 – 14, 2016 in Tampa, Florida. Mr. Jewell noted Ms. Rappe would be attending on behalf of Board staff.

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As the NASBA Diversity Committee Chair, Mr. Dickerson led the discussion regarding relative NASBA updates. Mr. Dickerson noted he attended a committee meeting in April. The chairman and president reinforced the committee's charge and the need for expansion to include increasing the CPA pipeline. Mr. Dickerson noted he attended the NABA (National Association of Black Accountants) convention in Hollywood, Florida June 22 – June 24, 2016. He indicated over 2,000 individuals attended. Mr. Holland inquired as a Board what could be done to ensure the pipeline to diversity reaches more individuals. Mr. Jewell noted the AICPA had numerous different programs in progress toward this initiative. Mr. Jewell and Mr. Holland had discussed the possibility of the VBOA having a new staff position dedicated to the CPA pipeline and diversity efforts. Mr. Jewell's vision included the formation of a partnership with the AICPA, NASBA, the VSCPA, colleges and universities, and the Commonwealth's Department of Education. The individual must be passionate about the profession, education and be available to travel extensively. Mr. Jewell asked the Board for their support in the request for this new position. After some discussion, Mr. Holland noted the Board was in support of the new position. Mr. Bosher requested that Mr. Jewell put together a "position description" for such a position and share it with the Board members.

There were no updates to the NASBA Standard-Setting Advisory Committee.

Ms. Saunders led the discussion regarding the NASBA Communications Committee. She stated the committee's charge was to promote effective and efficient communication among Boards of Accountancy and NASBA. The committee meets monthly by phone, and annually in person. Ms. Saunders stated the committee would be assigning a committee member to each state for the annual meeting. Ms. Anderson noted NASBA had completed two new whiteboard videos for the VBOA.

Ms. Saunders led the discussion regarding the NASBA Middle Atlantic Regional Director. She noted her attendance at the Rapid City, South Dakota Board meeting in July. General business was discussed in addition to the April 1, 2017 launch of the new CPA examination. Other discussion topics included NASBA's updated facility, peer review evolution, the budget, passed CPE standards and the North Carolina dental case continued to be of interest. Ms. Saunders congratulated former Vice Chair Marc B. Moyers on his appointment to the NASBA Nominating Committee.

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. He noted the committee had begun drafting the outline for the March 2017 conference to be held in New Orleans. Mr. Jewell has been nominated to serve as Chair for the 2017 Executive Director's Committee.

EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented general updates regarding the VBOA:

- Mr. Jewell and Mr. Holland participated with the VSCPA's Board update and professional issues webinar on July 14, 2016. Mr. Holland noted that through a survey question during the webinar, the participants favored a single licensure renewal date at 77%, with many others having no opinion about it.
- Mr. Jewell noted he had attended the VSCPA's Board meeting and made a presentation on behalf of the Board on June 28, 2016.
- Mr. Jewell indicated to the Board the progress in the Request for Proposal (RFP) for a new database. He noted the project was moving forward with another meeting planned this week.

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- Mr. Jewell noted Larry Samuel, CPA, past Chair, Board member, and former partner of Deloitte had contacted him regarding a Deloitte employee from Gambia participating in a presidential program at VCU and visiting the United States. Ms. Chilel Kaba Jawara was instrumental in starting the Gambia Institute of Accountants, and was interested in how to set up an effective Board and Board staff/operation. Mr. Jewell noted he had met with Ms. Jawara at VCU as well as having her meet with Ms. Anderson and Ms. Hambright at the VBOA office. Additionally, Mr. Jewell also coordinated a visit to the VSCPA with Ms. Jawara.
- Mr. Jewell noted new Board orientation for Ms. Warwick had been held on July 28, 2016. Mr. Holland attended as well.
- Mr. Jewell noted Todd Haymore, the current Secretary of Agriculture and Forestry would replace Maurice Jones, Secretary of Commerce and Trade effective September 6, 2016.
- Ms. Anderson demonstrated the two newest whiteboard videos created for the VBOA by NASBA entitled “Apply to take the CPA” and “CPA re-exam candidates.” She noted four additional videos were planned at this time.
- Mr. Jewell updated the Board with staff organizational changes. He noted with the transition the percentage of CPA audits would increase to at least 10%.

June 2016 Board Report

Ms. Charity presented and fielded questions regarding the June 2016 Board Report.

June 2016 Financial Report

Ms. Scifres presented and fielded questions regarding the June 2016 Financial Report.

FY17 Proposed Budget

Ms. Scifres presented and fielded questions regarding the FY17 proposed budget.

Upon a motion by Ms. Saunders and duly seconded, the members voted unanimously to approve the FY17 Proposed Budget as presented. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

BOARD DISCUSSION TOPICS

Peer Review Oversight Committee and Ethics Committee – new member recommendations

Mr. Jewell led the discussion regarding the Peer Review Oversight Committee and Ethics Committee new member recommendations. Mr. Jewell and Ms. Warwick recommended Nicole R. Kint, CPA with Wall, Einhorn & Chernitzer. Ms. Kint would replace Douglas L. Bowles, CPA.

Upon a motion by Mr. Carson, and duly seconded, the members voted to approve Nicole R. Kint, CPA as a member to the Peer Review Oversight Committee. The members voting “**AYE**” were Mr. Holland, Mr.

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Bosher, Mr. Carson, Ms. Ferguson, Ms. Saunders and Ms. Warwick. (Ms. Kilmer recused herself from the vote).

Mr. Jewell recommended John J. Renner, II, CPA and Tom E. Rosengarth, CPA for the Ethics Committee. Mr. Jewell noted both Mr. Renner and Mr. Rosengarth were Virginia-Specific ethics course instructors.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve John J. Renner, II, CPA and Tom E. Rosengarth, CPA as members to the Ethics Committee. The members voting “**AYE**” were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Mr. Jewell noted the possibility of adding additional Ethics Committee members and requested the Board delegate Mr. Bosher and Mr. Carson to approve such members.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to delegate the authority for appointing additional Ethics Committee member(s) for developing the 2017 Virginia-Specific Ethics Course outline to Matthew Bosher and Brian Carson. The members voting “**AYE**” were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Proposed Evolution of Peer Review Administration – Supplemental Discussion Paper, AICPA

Mr. Jewell led the discussion regarding the Proposed Evolution of Peer Review Administration – Supplemental Discussion Paper, AICPA. After a thorough discussion the Board requested the PROC (Peer Review Oversight Committee) weigh in with their recommendations prior to the next Board meeting in order to meet the AICPA’s October 31 deadline for comments.

RECESS FOR LUNCH 12:05 PM

RECONVENE 12:35 PM

Proposed CPE for Exams

Ms. Ferguson led the discussion regarding proposed CPE for exams. After a thorough discussion the Board agreed to CPE credit for Life & Annuities & Health Insurance Licensure, Series 7 Exam and Series 66 Exam.

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to approve CPE credit awarded for Life & Annuities & Health Insurance Licensure, Series 7 Exam and Series 66 Exam. The members voting “**AYE**” were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick. The credit for these exams will be posted to the Board’s website.

Proposed statute changes

Mr. Jewell led the discussion regarding the proposed statute changes. He noted that some of the proposed changes would require additional time necessary to thoroughly discuss the changes, and that the Board should consider ongoing conversations at future Board meetings over the next year. Ms. Kilmer noted in reviewing the proposed statutes the approach should be evergreen. Mr. Jewell also noted after speaking with Dan Dustin, CPA, NASBA Vice President of State Board Relations, that Virginia’s substantial equivalency could come into question if the current experience requirements to obtain licensure are not updated to

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require that a CPA verify experience for all license applicants. He noted Virginia as the only state not requiring licensure experience to be verified by a CPA. After a thorough discussion the Board agreed to add to the “Experience” definition ... “as verified by an active, licensed CPA.” After an extensive discussion the Board agreed to remove the verbiage “using the CPA title” throughout the statutes. The Board felt the term caused confusion. Among other updates to the statutes, the verbiage “Holding a Virginia license or the license of another state constitutes using the CPA title” would be added to the definition “Using the CPA title in Virginia.” The Board discussed and agreed to remove the current one year grace period when renewing the CPA license. The Board agreed Mr. Jewell would compile additional statute updates for Board member review and discussions would continue for potential future changes.

In support of statute changes presented to the Board today for consideration during this year’s General Assembly session, and upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to approve proposed changes to the statutes. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Mr. Jewell suggested proposed regulatory changes be continued to future Board meetings.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items / Potential Future Topics

- CPE – VBOA/VSCPA discussions
- Single Renewal Date all Virginia Licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Fraudulent Transcripts and CPE Certificates
- Professional Issues/Updates – Board responses
- North Carolina Dental Case
- Practice Continuation

Sign Conflict of Interest Forms

Sign Travel Expense Vouchers

Future Meeting Date

- October 7, 2016
- November 10, 2016 (Christopher Newport University campus)
- Other dates to be determined

ENFORCEMENT

BEGIN CLOSED MEETING

Upon a motion by Mr. Boshier, 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

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counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27).”
The following non-members will be in attendance to reasonably aid the consideration of this topic: Wade Jewell, Rebekah Allen and Anna Birkenheier.

END CLOSED MEETING

Upon a motion by Mr. Boshier, 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:

James M. “Jim” Holland, CPA – Aye
Matthew P. Boshier, Esq. – Aye
Stephanie S. Saunders, CPA – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

AYES: Seven (7)
NAYS: None.

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

Case #2016-0009E (Jewell)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to table their decision pending further discussion.

CALL FOR VOTE:

James M. “Jim” Holland, CPA – Aye
Matthew P. Boshier, Esq. – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

AYES: Seven (7)

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NAYS: None.

Prior to the Board convening the following closed meeting, Mr. Jewell inquired as to whether the Board felt it necessary to review reinstatement applications submitted from CPE suspension cases. Currently CPE consent orders resulting in licensure suspension require Board review prior to reinstatement. Ms. Birkenheier will review the consent order verbiage prior to the Board's consideration. This topic will be discussed at the October 7, 2016 Board meeting.

BEGIN CLOSED MEETING

Upon a motion by Mr. Boshier, 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: Anna Birkenheier.

END CLOSED MEETING

Upon a motion by Mr. Boshier, 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:

James M. "Jim" Holland, CPA – Aye
Matthew P. Boshier, Esq. – Aye
Stephanie S. Saunders, CPA – Aye
D. Brian Carson, CPA – Aye

VOTE:

AYES: Four (4)
NAYS: None.

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

Case #2015-U0020 (Kilmer & Ferguson)

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Ms. Ferguson, Ms. Kilmer and Ms. Warwick were not present and did not participate in the closed discussion.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to table their decision pending further discussion.

CALL FOR VOTE:

James M. "Jim" Holland, CPA – Aye
Matthew P. Boshier, Esq. – Aye
Stephanie S. Saunders, CPA – Aye
D. Brian Carson, CPA – Aye

VOTE:

AYES: Four (4)
NAYS: None.

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Boshier and duly seconded, the meeting was adjourned by unanimous vote at 4:31 p.m. The members voting "AYE" were Mr. Holland, Mr. Boshier, Mr. Carson and Ms. Saunders.

APPROVED:

James M. "Jim" Holland, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director