

FINAL/Approved for November 10, 2016
THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Thursday, November 10, 2016 at Christopher Newport University, 1 Avenue of the Arts, Freeman Center, Room 201, Newport News, VA 23606.

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
PRESENT BY
TELECONFERENCE
FOR CLOSED SESSION:**

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
Nicholas R. Tazza, Assistant Manager, Licensing and Examination
Patti Hambright, CPE/Peer Review Coordinator/Administrative Assistant

**MEMBERS OF THE
PUBLIC PRESENT:**

Jessica Gray, CPA, American Institute of Certified Public Accountants
George H. Ebbs, Ph.D., Dean of the Luter School of Business, CNU
Abby Brooks, MSA, CPA, CNU Faculty
Philip Chung, Ph.D., CNU Faculty
Veronique Frucot, Ph.D., CNU Faculty
Gabriele Lingenfelter, MBA, CPA, CNU Faculty
Joseph Morris, M.Tx., CPA, CNU Faculty
Emily Walker, Vice President, Advocacy, Virginia Society of
Certified Public Accountants
Amy Mawyer, Vice President, Strategy and Development, Virginia
Society of Certified Public Accountants
More than 100 Christopher Newport University students and faculty
attended

CALL TO ORDER

Chairman Holland called the meeting to order at 9:00 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Chairman Holland determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the November 10, 2016 agenda as presented. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

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 counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27).” The following non-member will participate by teleconference to reasonably aid in the consideration of this topic: Anna Birkenheier. 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. 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
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)
NAYS: None.

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

Case #2015-CPE-0285 (Jewell & Allen)

Mr. Jewell and Ms. Allen 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
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)

NAYS: None.

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

Case #2016-CPE-0028 (Jewell & Allen)

Mr. Jewell and Ms. Allen 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
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)

NAYS: None.

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

Case #2015-U0020 (Ferguson & Kilmer)

Ms. Ferguson, Ms. Kilmer, Mr. Jewell and Ms. Allen were not present and did not participate in the closed discussion.

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

CALL FOR VOTE:

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

VOTE:

AYES: Three (3)

NAYS: None.

BRIEF RECESS

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.

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the November 10, 2016 agenda as presented. 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 / REINSTATEMENTS

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the November 10, 2016 consent agenda (excluding minutes). 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 October 7, 2016 Board meeting minutes as presented. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Ms. Ferguson, Ms. Saunders and Ms. Warwick. (Mr. Carson and Ms. Kilmer were not present at the October 7, 2016 Board meeting.)

PUBLIC COMMENT PERIOD

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

WELCOME

Dr. Ebbs welcomed the VBOA, Christopher Newport University (CNU) faculty and students. He gave a brief history of the university and noted the recent changes to the accounting curriculum. He also noted that 90% of CNU accounting majors intended to get their CPA license.

BOARD MEMBER/STAFF INTRODUCTIONS AND VBOA OVERVIEW

Mr. Holland extended a thank you from the Board to CNU, Gabriele Lingenfelter and the Accounting Club for hosting the Board meeting. Board members and staff introduced themselves. Ms. Walker and Ms. Mawyer of the Virginia Society of Certified Public Accountants (VSCPA) also provided introductions and gave a brief description of the services provided by the VSCPA. Mr. Holland explained the enforcement closed session and the Board’s mission to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms. Ms. Anderson explained the make-up of the VBOA website www.boa.virginia.gov and offered navigational tips. She shared one of the Board’s five featured videos entitled *Learn about the VBOA*. Mr. Jewell demonstrated areas of the VBOA website including resources, publications, news, and enforcement tabs. Mr. Jewell, Board members and staff fielded questions from CNU students and faculty.

COMMITTEE/NASBA UPDATES

Mr. Holland provided the CNU faculty and students an overview of the National Association of State Boards of Accountancy (NASBA). He noted the NASBA as an association dedicated to enhancing the effectiveness of the country’s 55 state boards of accountancy to effectively aid boards in their goal to protect the public.

Mr. Jewell led the discussion regarding the NASBA 2017 Committee Assignments. The current NASBA Committee assignments:

James M. “Jim” Holland – Continuing Professional Education (CPE) Committee
Wade A. Jewell – Executive Director’s Committee, Chair
Matthew P. Boshier – Standard-Setting Advisory Committee
D. Brian Carson – Communications Committee
Susan Quaintance Ferguson – Education Committee
Andrea M. Kilmer – Diversity Committee
Stephanie S. Saunders – Middle Atlantic Regional Director
Relations with Member Board Committee, Chair
Uniform Accountancy Act (UAA) Committee

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Former Board member assignments:

Marc Moyers – Nominating Committee
UAA Committee

Tyrone Dickerson – At-Large Director
Diversity Committee, Chair

Mr. Holland led the discussion regarding the NASBA CPE Committee. Mr. Holland noted effective September 1, 2016 the American Institute of Certified Public Accountants (AICPA) and the NASBA approved the updated Statement on Standards for Continuing Professional Education (CPE). The changes enable nano-learning and blended-learning. He noted he had attended NASBA's annual meeting recently held in Austin, Texas along with Mr. Jewell and Ms. Saunders. Mr. Holland noted speakers at the NASBA annual meeting included Medal of Honor winner Marine Sergeant Dakota Meyer and Karl Rove of Fox News. Ms. Saunders, Mr. Holland and Mr. Jewell noted the meeting had provided great speakers, topics and networking opportunities.

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

Ms. Kilmer led the discussion regarding the NASBA Diversity Committee. Ms. Kilmer noted the committee's charge to develop a diversity program that ensures the NASBA culture is open and inclusive of women and minorities and to provide opportunities for service and leadership. She noted that now is the time to be intentional, while getting involved in the profession, public policy and community.

Ms. Saunders led the discussion regarding the NASBA Communications Committee. She noted after three years she would be rolling off the committee. The committee generally meets monthly by phone, and annually in person and is very active, with NASBA currently serving 35 Boards of Accountancy.

Ms. Saunders led the discussion regarding her role as NASBA's Middle Atlantic Regional Director, giving an overview of a Regional Director's responsibilities and her most recent telephone call with respective state boards and her visit to two other state Board meetings (South Carolina & Maryland). Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. Mr. Jewell will be serving as Chair for the 2017 Executive Director's Committee. The committee is currently finalizing plans for the annual Executive Director's & Staff Conference to be held in New Orleans, LA in March 2017 and would once again include a combined session with state society executives.

EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented general updates regarding the VBOA:

- Mr. Jewell noted Ms. Jessica Gray, CPA, American Institute of Certified Public Accountants, would be presenting CPA examination changes today at 1:00 pm. Mr. Jewell, Ms. Charity and Mr. Tazza had participated in an AICPA webinar regarding examination changes on Wednesday, November 9, 2016.
- Mr. Jewell noted nationally the AICPA and NASBA is seeing an increase in accounting majors over the past 8 years, but a leveling off of CPA examination candidates. However, the VBOA had seen an increase in examination candidates. He noted the AICPA is the

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organization which develops and scores the Uniform CPA Examination. The AICPA and NASBA have undertaken many projects to address this issue (CPA pipeline).

- Mr. Jewell noted the new VBOA licensing/database RFP project was moving forward.

September 2016 Board Report

Mr. Jewell presented and fielded questions regarding the September 2016 Board Report.

September 2016 Financial Report

Ms. Jewell presented and fielded questions regarding the September 2016 Financial Report.

BOARD DISCUSSION TOPICS

Board Policy #5

Mr. Jewell led the discussion regarding Board Policy #5, Publication of Board Disciplinary Action. Mr. Jewell noted the revisions to the publication had been posted on the VBOA website following the October 7, 2016 meeting and no comments regarding those revisions had been received.

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to accept the revisions to Board Policy #5, Publication of Board Disciplinary Action as presented. The members voting “AYE” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Update on AICPA – Evolution of Peer Review Administration

Mr. Jewell provided CNU faculty and students a brief overview of the evolution of peer review and firm requirements for peer review. The AICPA will issue a revised model on January 4, 2017 of proposed recommendations for peer review administration. Comments regarding the AICPA revisions will be due February 28, 2017.

RECESS FOR LUNCH 12:00 PM

RECONVENE 1:00 PM

CPA EXAM UPDATE/UPCOMING CHANGES

Ms. Gray of the AICPA presented a PowerPoint detailing the upcoming changes to the CPA examination and fielded questions from CNU faculty and students.

BOARD DISCUSSION TOPICS, continued

Proposed Changes to CPE Deficiency Violation Guidelines

Mr. Jewell led the discussion regarding the CPE deficiency guidelines. After a thorough discussion, Board members agreed to continue deliberations at the next Board meeting.

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 and options
- Statute/Regulation changes
- Fraudulent Transcripts and CPE Certificates
- North Carolina Dental Case
- Practice Continuation

Sign Conflict of Interest Forms

Sign Travel Expense Vouchers

Future Meeting Date

- Wednesday, December 14, 2016
- Wednesday, January 25, 2017

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 2:15 p.m. The members voting “**AYE**” were Mr. Holland, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

APPROVED:

James M. “Jim” Holland, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director