

Wednesday, November 7, 2018

VBOA Board Meeting Agenda

George Mason University
Dewberry Hall
Johnson Center
4477 Aquia Creek Lane
Fairfax, VA 22030

- 10 a.m. Call to Order – **Susan Quaintance Ferguson, CPA, Chair**
Security Briefing – **Patti Hambright, Administrative Assistant**
Determination of Quorum
Approval of November 7, 2018, Agenda
Approval of September 25, 2018, Board meeting minutes
- Public comment period*
- 10:10 a.m. 1. Welcome – **JK Aier, Associate Professor of Accounting and Area Chair, George Mason University**
- 10:20 a.m. 2. Board Member/Staff Introductions and VBOA Overview – **Susan Quaintance Ferguson, CPA, Chair**
- Questions from GMU students, faculty and other attendees
- 10:40 a.m. 3. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - September Board Report overview and renewal numbers – **Mary T. Charity, Deputy Director for Operations**
 - September Financial Report overview – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 11 a.m. 4. Ethical Reasoning in Action: Asking Questions to Foster an Ethical Culture – **Dr. Bill Hawk, James Madison University professor of philosophy and chair, The Madison Collaborative**
- 12 p.m. Recess for lunch
- 1 p.m. 5. Board Discussion Topics - **Susan Quaintance Ferguson, CPA, Chair**
- Approval of Delegation of Authority Policy and Procedure
 - Completion of motion for the periodic review of 18VAC5-22
- 1:20 p.m. 6. NASBA Updates
- NASBA Annual Meeting – **Susan Quaintance Ferguson, CPA, Chair**
- 1:40 p.m. 7. Virginia Society of CPAs – Student Programs Overview – **Molly Wash, CAE, Academic Engagement Director, Virginia Society of CPAs**

- 2 p.m. 8. Additional Items for Discussion
- Carry over items/potential future topics
 - CPE guidelines (To be determined)
 - Active-CPE Exempt Status (To be determined)
 - Trust Fund Reserve Policy (To be determined)
 - Virginia-Specific Ethics Course (On-going)
 - Required coursework for CPA examination/licensure
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates –
 - December 4, 2018
 - January 8, 2019
 - February 5, 2019
- 2:15 p.m. 9. Closed Session
Enforcement – **Amanda E. M. Blount, Enforcement Director**
- Status of Open Cases
 - OAG updates
 - Final Orders:
 - 2018-073-064C (Jewell and Allen)
 - 2018-188-167C (Charity and Blount)
 - 2018-190-169C (Charity and Blount)
- 3 p.m. 10. Closed Session – Personnel – **Nancy Glynn, CPA, Executive Director**
- 3:15 p.m. Adjournment

***Five-minute public comment, per person, on those items not included on the agenda.**

Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the VBOA office at (804) 367-8505 at least five days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The VBOA fully complies with the Americans with Disabilities Act.

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Tuesday, September 25, 2018, in Training Room #2 of the Perimeter Center, 9960 Mayland Drive, Henrico, VA 23233.

MEMBERS PRESENT: Susan Quaintance Ferguson, CPA, Chair
D. Brian Carson, CPA, Vice Chair
Matthew P. Boshier, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA

**MEMBER PRESENT
BY TELECONFERENCE
FOR A PORTION
OF THE MEETING:** Laurie A. Warwick, CPA

**MEMBER PRESENT FOR
A PORTION OF THE
MEETING:** Stephanie S. Saunders, CPA

LEGAL COUNSEL: Robert Drewry, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Mary T. Charity, Acting Executive Director and Deputy Director for
Operations
Renai Reinholtz, Deputy Director for Finance and Administration
Amanda E. M. Blount, Enforcement Director
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant
Michelle Strudgeon, Accounting Specialist
Rebekah Allen, Information and Policy Advisor

**MEMBERS OF THE
PUBLIC PRESENT:** Maureen Dingus, CAE, Chief Operating Officer, Virginia Society of
Certified Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of
Certified Public Accountants

CALL TO ORDER

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

Ms. Ferguson called the meeting to order at 10:03 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Ferguson determined there was a quorum present. Due to a meeting conflict, Ms. Warwick will be participating by teleconference for a portion of the meeting.

APPROVAL OF AGENDA

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to approve the September 25, 2018, agenda as amended. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Warwick.

APPROVAL OF MINUTES

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the June 21, 2018, Board meeting minutes as amended. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Brown and Ms. Warwick. (Mr. Bradshaw did not attend the June 21, 2018 meeting.)

APPROVAL OF CONSENT AGENDA

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to move the approval of the consent agenda to closed session. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Warwick.

PUBLIC COMMENT PERIOD

Ms. Ferguson welcomed and invited members of the public to provide comments. No comments were provided.

COMMITTEE/NASBA UPDATES

NASBA Education Committee

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

Ms. Ferguson led the discussion regarding the NASBA Education Committee. Ms. Ferguson noted her participation in a conference call discussion regarding Boards of Accountancy's Adding a data analytics course to the list of acceptable course work requirements to sit for the CPA exam.

ACTING EXECUTIVE DIRECTOR'S REPORT

General Updates

Ms. Charity presented the following general updates regarding the VBOA:

- Ms. Charity updated the Board regarding the meeting with MicroPact leadership. She noted the tentative go-live date as August 2019.
- Ms. Charity noted the November 7, 2018 Board meeting would be held at George Mason University and suggested campus Board meetings be held every two years.
- Ms. Charity, Ms. Anderson and Mr. Tazza will be attending the Tidewater Chapter of the Virginia Society of Certified Public Accountants on October 17, 2018.
- Ms. Charity and Ms. Reinholtz met with Doug Page, Director of Finance and Administration from the Department of Accounts regarding the Agency Risk Management Internal Control Standards (ARMICS) on September 24, 2018.
- Ms. Charity provided an update regarding letters, emails and automated calls made regarding license renewals for August 2018.

August Board Report

Ms. Charity presented and fielded questions regarding the August 2018 Board Report.

August Financial Report

Ms. Reinholtz presented and fielded questions regarding the August 2018 Financial Report.

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the draft FY2019 Operating Budget as presented. The members voting "AYE" were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Warwick.

BOARD DISCUSSION TOPICS

Virginia – Ethics Course 2019 outline approval

Ms. Saunders has joined the meeting.

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

Mr. Carson led the discussion regarding the Virginia – Ethics Course 2019 outline approval. He noted the Ethics Committee had met on September 10, 2018. After a thorough discussion, the Board voted to approve the Virginia-Specific Ethics Course 2019 outline.

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to approve the Virginia – Specific Ethics Course 2019 outline as amended. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

Active – CPE Exempt Status

After a thorough discussion, the Board agreed to revisit the Active – CPE Exempt status in May of 2019.

Ms. Warwick has left the meeting and is no longer participating by teleconference.

Enforcement Committee

Ms. Ferguson led the discussion regarding the Enforcement Committee. Ms. Saunders will replace Ms. Ferguson on the Enforcement Committee.

Regulatory/legislative update

Ms. Allen led the discussion regarding the regulatory/legislation update. She provided an update for the fast track regulatory changes and noted the need for periodic review of the regulations.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to undertake periodic review of 18VAC5-22. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

CPE Discussion/National trends in CPE regulation

Ms. Ferguson thanked Mr. Brown for providing his thoughts on changing CPE. Ms. Allen provided an overview of the overall CPE requirements for the State Boards of Accountancy. After a thorough discussion, the Board agreed to table this discussion for a later date and to circulate an internal survey about potential changes to the CPE requirements.

RECESS FOR LUNCH 12:15 p.m.

RECONVENE 1:00 p.m.

Use of Confidential Consent Agreements

**Board Meeting
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Ms. Ferguson led the discussion regarding the use of Confidential Consent Agreements. After a thorough discussion, the Board agreed to table this discussion for a later date.

Publication of Board Disciplinary Action

Ms. Ferguson led the discussion regarding the publication of Board Disciplinary Actions. After a thorough discussion, the Board agreed to table this discussion for a later date.

Volunteer services and the Active – CPE Exempt status – Revised Board Policy #9 vote

Ms. Ferguson led the discussion regarding volunteer services and the Active – CPE Exempt status – revised Board Policy #9 vote. After a thorough discussion, the modifications to Board Policy #9 will be published on the Board’s website with a 30-day comment period.

Delegations of authority – Internal administration policy and procedure vote

Ms. Ferguson led the discussion regarding the delegations of authority. After a brief discussion, the Board agreed to table this discussion for a later date.

Adjudication Manual

Ms. Blount led the discussion regarding the adjudication manual. She noted a draft adjudication manual would be available in early January 2019. Mr. Drewry will review the draft prior to the presentation to the Board.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- Trust Fund Reserve Policy (tbd)
- CPE guidelines for publications (tbd)
- Virginia-Specific Ethics Course (on-going)
- Required Coursework for CPA Examination

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- November 7, 2018 (George Mason University)

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

- December 4, 2018
 - February 5, 2019
-

Begin closed meeting

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to the Board of Accountancy, a matter lawfully exempted from open meeting requirements under the ‘personnel matters’ exemption contained in Virginia Code § 2.2-3711(A)(1).” Therefore, the subject matter for closed session would be discussion of personnel. The purpose of the meeting is the discussion with a prospective candidate for employment. It is a matter lawfully exempted from the open meeting requirements of FOIA under Va. Code 2.2-3711(A)(1). The following non-member will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn.

End closed meeting

Upon a motion by Mr. Carson, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions 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 laws 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:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)
Nays: None

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

Begin closed meeting

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ exemption contained in Virginia Code § 2.2-3711(8).” The following non-members will be in attendance to reasonably aid in the consideration of this topic: Mary Charity and Robert Drewry. The following non-member will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Amanda Blount.

End closed meeting

Upon a motion by Mr. Carson, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions 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 laws 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:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)
Nays: None

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

Upon a motion by Mr. Boshier, and duly seconded, members voted unanimously to approve Consent Orders 2017-230-015D, 2017-087-007D and 2017-440-017D as presented.

CALL FOR VOTE:

**Board Meeting
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Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

Upon a motion by Mr. Boshier, and duly seconded, members voted unanimously to approve Final Order 2017-070-093C as presented.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

Upon a motion by Mr. Carson, and duly seconded, members voted unanimously to approve Final Order 2018-069-006E as presented.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

**Board Meeting
September 25, 2018
Draft/Unapproved minutes**

Ayes: Six (6)
Nays: None

Upon a motion by Ms. Saunders, and duly seconded, members voted unanimously to approve Final Order 2017-373-018E as presented.

Mr. Bradshaw was not present and did not participate in the discussion of Final Order 2017-373-018E.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Abstain
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Five (5)
Abstain: One (1)
Nays: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Ms. Ferguson, and duly seconded, the meeting adjourned by unanimous vote at 4:16 p.m. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

APPROVED:

Susan Quaintance Ferguson, CPA, Chair

COPY TESTE:

Mary T. Charity, Acting Executive Director and
Deputy Director for Operations

Virginia Board of Accountancy
FY18 Board Report
As of September 30, 2018

REPORT CATEGORIES	FY2019 - YTD as of 9/30/18	FY2018 - YTD as of 9/30/17	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15
LICENSEES						
Individuals:						
Number of Active, licensed CPAs	26,429	25,854	26,318	25,452	24,648	24,791
Number of Active - CPE Exempt, licensed CPAs	1,619	1,396	1,585	1,326	1,158	898
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPAs	0	592	0	933	1,516	1,142
Total Number of Licensed CPAs	28,048	27,842	27,903	27,711	27,322	26,831
Number of out-of-state licensees	8,401	8,315	8,330	8,290	8,152	8,086
Reinstatements - Individuals	29	44	178	92	79	106
Number of new CPA licenses issued	330	314	1,227	1,378	1,322	1,240
Net change in number of expired/voluntary surrendered licenses (>12 months)	214	227	1,213	1,081	910	863
Firms:						
Number of Active, licensed CPA firms	1,174	1,152	1,177	1,123	1,092	1,115
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPA firms	0	27	0	44	65	71
Total Number of Licensed CPA Firms	1,174	1,179	1,177	1,167	1,157	1,186
Reinstatements - Firms	1	3	10	5	5	0
Number of new CPA firm licenses issued	10	21	74	65	29	40
Net change in number of expired/voluntary surrendered firm licenses (>12 months)	14	12	74	60	63	72
EXAM CANDIDATES						
Number of first time candidates applying to sit for CPA exam	416	367	1,675	1,819	2,136	1,904
ENFORCEMENT						
Number of complaints	21	29	85	82	145	84
Types of complaints:						
Unlicensed activity	7	14	20	45	41	24
Other disciplinary matters	14	15	65	37	104	60
CPE AUDITS						
Number of CPE audits selected	617 (a)	832	2,402	2,022	1,578	1,088
Status of CPE Audits:						
# of CPE audits resulting in compliance	305	359	1,773	1,594	1,291	819
# of CPE audit deficiencies	16	22	280	428	286	269
# of CPE audit deficiencies resulting in surrender of license	1	1	26	52	30	17
# of CPE audit deficiencies resulting in suspension of license	1	0	14	34	19	19
# of CPE audits open/pending review	296	451	349	0	1	0
CPE Audit Deficiency Rate	5%	6%	14%	21%	18%	25%
BUDGET/EXPENDITURES						
Total YTD expenditures	\$536,581	\$477,939	\$2,271,239	\$1,727,506	\$1,642,512	\$1,424,978
Total fiscal year budget	\$2,476,080	\$2,417,446	\$2,417,446	\$2,414,828	\$1,886,458	\$1,648,449
% of expenditures vs. budget	21.7%	19.8%	94.0%	71.5%	87.1%	86.4%

NOTES:

(a) CPE audits selected through September 2018.

**Virginia Board of Accountancy
Financial Report
FY19 Budget vs. Actual Expenses
As of September 30, 2018**

<u>Expenditure Type</u>	<u>FY19 Operating Budget</u>	<u>FY19 YTD Expenditures</u>	<u>% Expended</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,294,020	346,933	26.8%	1,174,172	1,103,143	999,185
Total Salaries & Benefits	\$ 1,294,020	\$ 346,933	26.8%	\$ 1,174,172	\$ 1,103,143	\$ 999,185
<u>Contractual Services</u>						
1209 Charge Card Purchases (not distributed)	-	-	---	-	-	-
1211 Express Services	800	67	8.4%	722	-	-
1214 Postal Services	13,000	2,206	17.0%	12,886	7,975	9,144
1215 Printing Services	5,500	368	6.7%	5,487	5,245	4,163
1216 Telecommunications - VITA	13,500	3,324	24.6%	11,613	12,272	10,021
1217 Telecommunications - Nonstate (CallFire)	300	25	8.3%	100	600	-
1219 Inbound Freight	150	36	23.7%	160	418	858
1221 Organization Memberships (primarily NASBA)	7,255	6,860	94.6%	7,255	7,250	7,030
1222 Publication Subscriptions	1,250	126	10.1%	1,266	4,730	5,254
1224 Training - Courses, Workshops, Conferences	6,955	534	7.7%	11,459	8,914	8,566
1225 Employee Tuition Reimbursement	1,618	1,618	100.0%	-	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	15,000	23	0.2%	23,825	10,933	16,123
1228 Employee IT Training Courses/Workshops and Conferences	100	-	0.0%	-	91	91
1242 Fiscal Services (Credit Card Merchant Fees)	50,000	7,783	15.6%	48,558	53,790	47,883
1243 Attorney Services (Including OAG)	62,020	15,505	25.0%	51,736	24,844	36,671
1244 Mgmt. Services - NASBA/special accommodations - IT Support	29,800	6,267	21.0%	21,736	75,641	64,564
1246 Public Info/Public Relations (subscriptions)	5,100	360	7.1%	3,538	5,015	1,756
1247 Legal Services (Includes court reporting services)	18,000	2,714	15.1%	19,562	12,977	10,306
1248 Media Services	-	-	---	-	-	235
1249 Recruitment Advertising	-	-	---	-	-	-
1252 Electrical Repair/Maintenance	-	-	---	-	90	-
1253 Equipment Repair/Maintenance	-	-	---	-	-	-
1257 Plant Repair & Maintenance Services	-	-	---	-	-	-
1263 Clerical / Temp Services	-	-	---	2,754	2,475	-
1264 Food and Dietary Services	3,500	482	13.8%	3,236	2,156	2,170
1265 Laundry & Linen Services	-	-	---	-	25	-
1266 Manual Labor Services (Includes shredding services)	720	60	8.3%	394	1,122	380
1267 Production Services	-	-	---	-	-	1,771
1268 Skilled Services	-	-	---	-	-	960
1272 VITA Pass Thru Charges (SA Maintenance, IT Upgrades, and ISO services)	131,677	14,308	10.9%	135,170	122,620	87,475
1273 Info Mgmt Design and Development Services (Project Manager)	166,530	34,500	20.7%	94,600	-	-
1278 VITA Information Technology Infrastructure Services	144,000	35,458	24.6%	119,126	90,483	118,041
1279 Computer Software Development Services (MicroPact and Data Conversion)	531,670	25,500	4.8%	346,155	-	-
1282 Travel - Personal Vehicle	8,000	1,555	19.4%	8,099	6,980	5,926
1283 Travel - Public Carriers	-	-	---	-	589	543
1284 Travel - State Vehicles	1,000	-	0.0%	652	619	1,347
1285 Travel - Subsistence and Lodging	1,500	-	0.0%	2,182	1,250	1,749
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	-	0.0%	1,423	730	917
Total Contractual Services	\$ 1,219,945	\$ 159,678	13.1%	\$ 933,694	\$ 459,834	\$ 487,145
<u>Supplies and Materials</u>						
1312 Office Supplies	5,000	993	19.9%	5,023	4,338	6,726
1313 Stationery and Forms	2,500	984	39.4%	2,028	2,214	2,249
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	221	155	308
1335 Packaging and Shipping Supplies	500	647	129.4%	485	958	715
1342 Medical & Dental Supplies	50	-	0.0%	-	260	48

<u>Expenditure Type</u>	<u>FY19 Operating Budget</u>	<u>FY19 YTD Expenditures</u>	<u>% Expended</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	300	-	0.0%	389	41	48
1362 Food & Dietary Supplies	525	25	4.7%	498	561	260
1363 Food Service Supplies	100	-	0.0%	62	107	15
1364 Laundry & Linen Supplies	-	-	---	-	24	-
1373 Computer Operating Supplies	5,500	1,266	23.0%	3,194	7,004	3,402
Total Supplies & Materials	\$ 14,725	\$ 3,914	26.6%	\$ 11,900	\$ 15,919	\$ 14,635
<u>Transfer Payments</u>						
1413 Awards & Recognition	900	138	15.3%	848	863	717
1415 Unemployment Compensation	-	-	---	-	-	-
1418 Incentives	-	-	---	-	410	-
Total Transfer Payments	\$ 900	\$ 138	15.3%	\$ 848	\$ 1,273	\$ 717
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,500	1,448	17.0%	8,645	8,460	4,865
1539 Building Rentals - Non-State Owned Facilities	93,417	23,199	24.8%	90,982	88,126	76,350
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	38,424	233	0.6%	38,169	36,071	32,411
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	978	-	0.0%	978	968	978
Total Continuous Charges	\$ 143,002	\$ 24,880	17.4%	\$ 140,457	\$ 135,308	\$ 116,287
<u>Equipment</u>						
2216 Network Components	1,200	0	0.0%	341	1,117	530
2217 Other Computer Equipment	500	507	101.3%	685	300	744
2218 Computer Software Purchases	-	379	---	540	2,157	3,556
2223 Exhibit Equipment	-	-	---	-	-	-
2224 Reference Equipment	50	-	0.0%	80	26	181
2231 Electronic Equipment	-	-	---	-	164	-
2232 Photographic Equipment	-	-	---	552	845	-
2233 Voice and Data Transmission Equipment	-	-	---	164	-	1,691
2238 Electronic and Photo Equipment Improvements (Board Rooms)	3,000	-	---	6,125	-	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	350	-	0.0%	94	-	880
2262 Office Furniture	15,000	127	0.8%	555	3,375	14,385
2263 Office Incidentals	1,500	25	1.7%	969	2,646	1,627
2264 Office Machines	-	-	---	65	928	821
2268 Office Equipment Improvements	150	-	0.0%	-	129	129
2271 Household Equipment	-	-	---	-	342	-
Total Equipment	\$ 21,750	\$ 1,038	4.8%	\$ 10,168	\$ 12,030	\$ 24,543
Total Expenses	\$ 2,694,342	\$ 536,581	21.7%	\$ 2,271,239	\$ 1,727,506	\$ 1,642,512
Chapter 2 Appropriation	\$ 2,476,080					
Decision Package Appropriation Requests (To be requested)	\$ 218,262					
Total Projected Appropriation	\$ 2,694,342					

**Virginia Board of Accountancy
Financial Report
Cash Balance
As of September 30, 2018**

	Operating Fund (09226)		Special Fund (02020)	
	FY2019 - YTD as of 9/30/18	FY2018 - YTD as of 9/30/17	FY2019 - YTD as of 9/30/18	FY2018 - YTD as of 9/30/17
Beginning Fund Balance July 1:	\$ 614,003	\$ 511,346	\$ 3,700,807	\$ 3,677,602
YTD Revenue Collected *	455,767	713,217	0	0
Accounts Payable **	42,026	45	0	0
Interfund Cash Transfers In/(Out), based on September 30th balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on December 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on March 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on June 30 balance	0	0	0	0
YTD Expenditures	(536,581)	(477,940)	0	0
Cash Balance before annual transfers	\$ 575,215	\$ 746,669	\$ 3,700,807	\$ 3,677,602
Projected Cash Transfers:				
Transfers to Central Service Agencies ***	(\$11,302)	(\$10,155)	\$0	\$0
Cash Balance after transfers	\$ 563,913	\$ 736,514	\$ 3,700,807	\$ 3,677,602

* Includes Interest Earnings - Per Virginia Acts of Assembly - Chapter 732 - §3-3.03 - Approved April 10, 2016, the State Comptroller shall allocate revenue for interest earnings effective FY2016. Interest Earnings had not been allocated since FY2010.

** Prior to October 1, 2014 and the implementation of the Commonwealth's new financial accounting and reporting system (Cardinal) all payments immediately reduced cash when processed (in CARS). The new Cardinal financial system operates on a modified accrual basis and cash balances are not affected until the voucher's due date. The Cardinal system generates an offsetting entry to a liability account (accounts payable) when the voucher is processed. Once the voucher due date arrives, the payment is made, the liability is relived and cash is now reduced.

*** Non-general fund Transfers required by Virginia Acts of Assembly Part 3-1.01F for expenses incurred by central service agencies due on or before June 30.

**Virginia Board of Accountancy
Financial Report
Revenue by Fee Type
Source: VBOA Licensing System (MLO)**

Fee Type	FY2019 - YTD as of 9/30/18	FY2018 - YTD as of 9/30/17	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16
(a) Pre-Evaluation of Transcripts	\$ -	\$ -	\$ -	\$ -	\$ 3,975
Application Fee	\$ 78,980	\$ 74,770	\$ 309,965	\$ 333,960	\$ 369,945
(b) Re-Exam Application	\$ 25,520	\$ 24,980	\$ 90,580	\$ 115,480	\$ 61,220
(c) Renewal Fee	\$ 334,302	\$ 592,030	\$ 1,859,054	\$ 2,086,540	\$ 1,864,290
Reinstatement Fee	\$ 11,350	\$ 13,450	\$ 64,570	\$ 45,775	\$ 35,450
Duplicate Wall Certificate Fee	\$ 500	\$ 625	\$ 1,950	\$ 1,775	\$ 1,750
License Verification Fee	\$ 5,275	\$ 5,925	\$ 20,025	\$ 20,487	\$ 19,963
CPA Exam Score Transfers	\$ 600	\$ 525	\$ 2,325	\$ 2,075	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ 5,100	\$ 4,300
Administrative Fee	\$ -	\$ -	\$ 1,000	\$ 5,100	\$ 4,100
Bad Check Fee	\$ -	\$ -	\$ 150	\$ 50	\$ 100
Total Revenue	\$ 456,527	\$ 712,305	\$ 2,349,619	\$ 2,616,342	\$ 2,367,168
(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 455,767	\$ 713,217	\$ 2,338,729	\$ 2,604,132	\$ 2,378,598
(e) Difference	\$ 760	\$ (912)	\$ 10,890	\$ 12,210	\$ (11,430)

NOTES:

- (a) Effective October 15, 2015, VBOA no longer collected fees for Pre-Evaluation of Transcripts.
- (b) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (c) Renewal Fee also includes associated late fees prior to FY19.
- (d) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (e) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**Virginia Board of Accountancy
Financial Report
Accounts Receivable
As of September 30, 2018**

	FY2019 - YTD as of 9/30/18	FY2018 - YTD as of 9/30/17	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16
Fines levied/collected/receivable:					
\$ amount of fines levied	\$ 48,225	\$ 64,125	\$ 326,285	\$ 187,925	\$ 284,528
\$ amount of fines collected	\$ 70,236	\$ 69,858	\$ 258,879	\$ 198,771	\$ 252,626
\$ OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ 342
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 69,194	\$ 13,609	\$ 92,026	\$ 25,442	\$ 51,538
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 593,044	\$ 597,500	\$ 592,222	\$ 591,400	\$ 576,150

NOTE:

(a) All accounts uncollected after one year are deemed uncollectible, are written off of the VBOA's financial account records, and are no longer recognized receivables for financial reporting purposes; however, the legal obligation to pay the debt still remains.

Administrative Policy and Procedure

Policy name:	Delegations of Authority
Effective date:	November 7, 2018
Authority:	Code of Virginia § 54.1-4400 et seq.
Policy:	The VBOA delegates to staff and its committees the authority to act without requiring prior ratification approval from the full Board under the following circumstances.
Procedures:	<p>The VBOA Executive Director has the authority to:</p> <ul style="list-style-type: none"> • Sign Consent Orders that involve CPE deficiencies and any associated false statements on renewal applications. • Sign Orders Permitting Reinstatement for those applicants who have fully complied with the terms and conditions of disciplinary orders where the VBOA suspended their Virginia CPA license for CPE deficiencies. • Waive all or part of a licensee’s CPE requirements for one or more calendar years or grant additional time for complying with the CPE requirements in the event of circumstances beyond the control of the licensee. • Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90(E). • Close complaints if the Executive Director determines that the VBOA lacks subject matter jurisdiction, that the complaint has been untimely filed, or both. • Deny complaints if it is clear that the VBOA lacks subject matter jurisdiction, the complaint has been untimely filed, or both. • Preside over proceedings held pursuant to Code of Virginia § 2.2-2019 for matters involving: <ul style="list-style-type: none"> ○ CPE deficiencies and any associated false statements on renewal applications ○ Eligibility matters where reinstatement applicants have not fully complied with the terms and conditions of disciplinary orders wherein their Virginia CPA license was suspended for CPE deficiencies • Close enforcement cases involving CPE deficiencies and any associated false statements on renewal applications if the Executive Director determines there is no finding of fact to indicate the VBOA has cause to

Administrative Policy and Procedure

impose discipline or if the violation is so minor that disciplinary action is not in the public's best interest.

- Designate, in writing, a staff member to have the same authority in the event of the Executive Director's absence.

VBOA staff have the authority to:

- Examine and approve applications for initial licensure, renewal of licensure, and reinstatement of licensure, provided no information is disclosed or discovered that calls into question an applicant's suitability to use the CPA title in Virginia.
- Examine and approve eligibility for taking the CPA exam and examine and grant requests for necessary and reasonable exam accommodations under the Americans with Disabilities Act.
- Examine and make the initial determination to approve or deny requests changing the status of a Virginia CPA license or the name or address of a licensee.
- Examine and approve or deny requests to become an approved provider/ sponsor of the current year's Virginia-Specific Ethics Course.
- Examine a licensee's compliance with the continuing professional education requirements and suspend such review if the licensee voluntarily surrenders their Virginia individual CPA license.
- Work with the Department of Planning and Budget and the Virginia Information Technologies Agency to prepare and submit an agency strategic plan and information technology strategic plan, respectively.
- Collect payments of fees and monetary penalties, to establish an annual operating budget, to request additional appropriation, and to prepare its financial statements.
- Prepare and submit the biennial report prescribed by Code of Virginia § 54.1-4421.

VBOA investigators are persons appointed by the Executive Director who are sworn to enforce the statutes and regulations of the VBOA through investigations into alleged violations and who are vested with the authority to engage in those acts identified in Code of Virginia § 54.1-4407.

VBOA investigators have the authority to:

- Initiate or receive complaints concerning compliance with any statutes or

Administrative Policy and Procedure

regulations pertaining to the VBOA or any of the programs that may be in another title of the Code of Virginia for which the VBOA has regulatory responsibility.

- Initiate a complaint if after two peer reviews, a firm receives “pass with deficiency,” “fail,” or any combination thereof, for review and determination as to whether there has been any violation of the VBOA’s statutes and/or regulations.
- Offer Consent Orders for CPE deficiencies and any associated false statements on renewal applications in conformity with the guidelines set by the VBOA.
- Suspend proceedings for CPE deficiencies and any associated false statements on renewal applications if the licensee voluntarily surrenders their Virginia individual CPA license.

The VBOA Enforcement Committee has the authority to:

- Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90(E).
- Offer Consent Orders for any enforcement matter.
- Close enforcement cases if determined that there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public’s best interest.
- Preside over proceedings held pursuant to Code of Virginia § 2.2-2019 for any enforcement matter.

Scope: The policy and procedures provided herein apply to classified and hourly-wage employees, contractors, and at-will appointees of the VBOA.

Policy review: The Delegations of Authority Policy and Procedure was initiated on **November 7, 2018.**

Staff awareness: Employees are made aware of this policy through initial orientation and staff meeting review.

Supersession: This policy is new.

Executive Director: Nancy Glynn

Date
approved/reviewed: **November 7, 2018**