

**Monday, March 18, 2019**

**Board Meeting Agenda**

Board Room #4

2nd Floor Conference Center

9960 Mayland Drive

Henrico, VA 23233

Phone: (804) 367-8505

- 10 a.m. Call to Order – **Susan Quaintance Ferguson, CPA, Chair**  
Security Briefing – **Patti Hambright, Administrative Assistant**  
Determination of Quorum  
Approval of March 18, 2019, Agenda  
Approval of February 5, 2019, Board meeting minutes  
Public comment period\*
- 10:10 a.m. Acceptance of Draft FY 2018 Financial Statements – **Nancy Glynn, CPA, Executive Director**
- 10:15 a.m. Additional Items for Discussion
- Carry over items/potential future topics
    - Active – CPE Exempt status (To be determined)
    - Virginia-Specific Ethics Course (2021) (On-going)
    - Publication of VBOA disciplinary actions (To be determined)
    - CPE guidelines (To be determined)
    - Trust Fund Reserve Policy (To be determined)
  - Sign Conflict of Interest forms
  - Sign Travel Expense vouchers
  - Future meeting dates
    - April 30, 2019
    - May 21, 2019
- 10:30 a.m. Closed Session  
Licensing and Enforcement System Health Check – **Kathy Czerwonka, Senior Consultant, Impactmakers Senior Consultant**
- OAG Consultation
- 1:00 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.

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**Board Meeting  
February 5, 2019  
Final/Approved minutes**

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The Virginia Board of Accountancy met on Tuesday, February 5, 2019, in Board Room #2 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

**MEMBERS PRESENT:** Susan Quaintance Ferguson, CPA, Chair  
D. Brian Carson, CPA, CGMA, Vice Chair  
Matthew P. Bosher, Esq.  
W. Barclay Bradshaw, CPA  
William R. Brown, CPA  
Stephanie S. Saunders, CPA  
Laurie A. Warwick, CPA

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

**STAFF PRESENT:** Nancy Glynn, CPA, Executive Director  
Mary Charity, Deputy Director for Operations  
Renai Reinholtz, Deputy Director for Finance and Administration  
Amanda E. M. Blount, Enforcement Director  
Kelli Anderson, Communications Manager

**MEMBERS OF THE PUBLIC PRESENT:** Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants  
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants  
Linda Newsom-McCurdy, CAE, Senior Director of Member Value, Virginia Society of Certified Public Accountants  
Alan Nicholas, Peer Review Manager, Virginia Society of Certified Public Accountants  
Nadia Rogers, Chair, Peer Review Oversight Committee  
Reza Mahbod, Peer Review Oversight Committee  
Delord King, Peer Review Oversight Committee  
Rajesh Gaikwad, Project Manager, MicroPact  
Kathy Czerwonka, Senior Consultant, !mpackmakers  
Scott Hammer, Principal Consultant, !mpackmakers  
Chris Hinkle, VITA  
Joshua Laws, Assistant Attorney General  
Charles Midkiff  
Dae Kim

**Board Meeting  
February 5, 2019  
Final/Approved minutes**

**MEMBERS OF THE  
PUBLIC PRESENT BY  
TELECONFERENCE FOR  
A PORTION OF  
THE MEETING:**

Nicole Kint, Peer Review Oversight Committee  
Alice Weng, Business Analyst, MicroPact

**CALL TO ORDER**

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

**SECURITY BRIEFING**

Ms. Anderson provided the emergency evacuation procedures.

**DETERMINATION OF QUORUM**

Ms. Ferguson determined there was a quorum present.

**APPROVAL OF AGENDA**

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the February 5, 2019, agenda as amended. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

**APPROVAL OF CONSENT AGENDA**

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the Consent Agenda as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Mr. Bradshaw, Ms. Saunders and Ms. Warwick.

**APPROVAL OF MINUTES**

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the January 8, 2019, Board meeting minutes as amended. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Bradshaw, Mr. Brown, Ms. Saunders, Mr. Boshier and Ms. Warwick.

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**Board Meeting  
February 5, 2019  
Final/Approved minutes**

**PUBLIC COMMENT PERIOD**

Ms. Peters addressed the Board members and discussed VSCPA updates including tax conformity and recent VSCPA student programs held at Virginia universities.

**THIRD PARTY UPDATES**

**Peer Review Oversight Committee (PROC)**

Ms. Rogers presented an update from the Peer Review Oversight Committee. The committee reviewed and evaluated, for the period of Jan.1 – Dec. 31, 2018, the policies and procedures of the VSCPA and the National Peer Review Committee of the AICPA as those policies and procedures relate to the administration of the AICPA Peer Review Program for firms licensed by the Board. Based on their review, Ms. Rogers explained the committee believes peer reviews are being conducted and reported on consistently and in accordance with the Standards for Performing and Reporting on Peer Reviews.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to accept the Peer Review Oversight Committee's recommendation as presented. The members voting "AYE" were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Mr. Bradshaw, Ms. Saunders and Ms. Warwick.

Ms. Rogers and Mr. Nicholas discussed a delinquent peer reviewer and the firms affected by the delinquency and that they were working with the AICPA directly to resolve the issue. Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to accept the AICPA waiver regarding these delinquent peer reviews. The members voting "AYE" were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Mr. Bradshaw, Ms. Saunders and Ms. Warwick.

**!mpackmakers – Exam/Licensing/Enforcement project health assessment report**

Ms. Czerwonka presented a project health check on the new system. She explained the status of the project thus far, and what needed improvement to move toward an August 2019 launch. After discussion, Ms. Czerwonka explained that the entire health check would be completed by the end of February. The final report will be shared with VBOA staff and Board members to determine the best course of action moving forward.

**MicroPact Exam/Licensing/Enforcement software demonstration**

Ms. Weng presented the licensing portion of the new system remotely. She walked through an individual license application by logging in, applying, submitting and reviewing the application. She also presented how to make a payment. Mr. Gaikwad answered questions from the Board about the design and function of the system.

**Board Meeting  
February 5, 2019  
Final/Approved minutes**

**COMMITTEE/NASBA UPDATES**

**NASBA Enforcement Committee**

Mr. Brown led the discussion regarding the NASBA Enforcement Committee. He noted the committee met on January 9, 2019, and plans to meet again in May 2019. He noted there is information on the NASBA website regarding a boot camp available for attorneys.

**NASBA Board of Directors**

Ms. Saunders led the discussion regarding the NASBA Board of Directors where she explained that NASBA has outsourced all their IT functions. Other topics she discussed included a Task Force being selected to review the 150/120-hour education requirement, a CPA evolution group regarding the future of the profession, Peer Review and the CGMA title.

**EXECUTIVE DIRECTOR'S REPORT**

**General Updates**

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

- Ms. Glynn noted an Investigator position would be vacant effective February 8, 2019, and the VBOA would recruit to fill the position in the future and hire a temporary employee to help with the Enforcement Division, as needed.
- Ms. Glynn noted the new database system requires increasing amounts of dedicated time from VBOA staff as it moves forward.
- Ms. Glynn noted that she would attend the NASBA Conference for Executive Directors and Board Staff and Ms. Blount would attend the NASBA Conference for Board of Accountancy Legal Counsel in late March 2019.

**December Board Report**

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

**December Financial Report**

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

**Fiscal Year 2018 Draft Financial Statements**

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**Board Meeting  
February 5, 2019  
Final/Approved minutes**

Ms. Reinholtz presented and fielded questions regarding the draft FY2018 Financial Statements.

**BOARD DISCUSSION TOPICS**

**Regulatory/Legislative Updates**

Ms. Glynn led the discussion regarding the regulatory/legislative updates. She noted the Notice of Intended Regulatory Action (NOIRA) is currently out for comment and ends on February 20, 2019. As of the meeting, no comments have been submitted.

**Fiscal year processing timelines**

Ms. Glynn led the discussion regarding the fiscal year ending on Sunday, June 30, 2019, and how that will affect the single renewal date. A further discussion on the topic was moved into closed session.

**Memorandum of Agreement for Enforcement volunteer**

Ms. Glynn led the discussion regarding the current MOA the Board has in place for enforcement volunteer Marc Moyers. The Board recommended updating the language and creating a separate section detailing confidentiality and non-disclosure as a volunteer.

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to delegate Ms. Glynn the authority to move forward with the MOA once it is amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Mr. Bradshaw, Ms. Saunders and Ms. Warwick.

**CPE guidelines survey results and discussion**

Ms. Glynn led the discussion regarding a recent CPE survey that was completed by all the Board members. The survey reviewed the current CPE guidelines and opened the discussion for any changes that were needed.

**RECESS FOR LUNCH 12:30 p.m.**

**RECONVENE 1 p.m.**

**BOARD DISCUSSION TOPICS, continued**

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**Board Meeting  
February 5, 2019  
Final/Approved minutes**

**CPE guidelines survey results and discussion, continued**

A discussion continued between the Board members about CPE. Another survey will be created to send to all licensed CPAs in Virginia. Board members will review the outside survey in spring 2019 before it is circulated to the Virginia CPA's.

Ms. Saunders led a discussion regarding the 2020 Virginia-Specific Ethics Course and the current two-year contract stating the VSCPA as the exclusive provider through the 2020 course. Upon a motion by Ms. Saunders, and duly seconded, the members voted to affirm the contract to agree to allow the VSCPA to be the exclusive provider of the 2020 Virginia-Specific Ethics Courses. The members voting "AYE" were Mr. Brown, Mr. Carson, Mr. Bradshaw, Ms. Saunders and Ms. Warwick. The members voting "NAY" were Mr. Boshier and Ms. Ferguson.

**Active – CPE Exempt status**

Ms. Saunders led the discussion on the current Active – CPE Exempt status and reviewed how other state boards of accountancy handle similar statuses, such as inactive and retired. The Board discussed bringing the topic back to the April 23 meeting and discuss updating the name and requirements surrounding this status.

**FIVE-MINUTE BREAK: 2:55 p.m.**

**RECONVENE 3 p.m.**

**PUBLIC COMMENT PERIOD**

Mr. Midkiff addressed the Board members regarding his client Mr. Kim and his ongoing disciplinary case.

**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 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-

**Board Meeting  
February 5, 2019  
Final/Approved minutes**

3711(A)(7)(27).” The following non-members will be in attendance to reasonably aid in the consideration of this topic: Nancy Glynn, Joshua Laws and 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.

Consent Order:

Case No. 2014-D0026 (Bradshaw)

Mr. Bradshaw and Mr. Drewry did not participate in the discussion. Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to delegate Joshua Laws to create a revised Consent Order and present it to the Board for vote during the April 23, 2019, meeting.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye

D. Brian Carson, CPA, CGMA – Aye

Matthew P. Boshier, Esq. – Aye

William R. Brown, CPA – Aye

Stephanie S. Saunders, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Abstain: One (1)

Nays: None

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**ADDITIONAL ITEMS FOR DISCUSSION**

**Carry over items/potential future topics**

- Publication of VBOA disciplinary actions (On-going)
- Trust Fund Reserve Policy (To be determined)



**Board Meeting  
February 5, 2019  
Final/Approved minutes**

- Virginia-Specific Ethics Course (On-going)
- Required coursework for CPA examination/licensure

**Sign Conflict of Interest forms**

**Sign Travel Expense vouchers**

**Future meeting dates**

- April 23, 2019
  - May 21, 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 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-members will be in attendance to reasonably aid in the consideration of this topic: Nancy Glynn and Robert Drewry. The following non-member will be in attendance for a portion of the 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, CGMA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye

**Board Meeting  
February 5, 2019  
Final/Approved minutes**

William R. Brown, CPA – Aye  
Stephanie S. Saunders, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Seven (7)

Nays: None

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**ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Mr. Carson, and duly seconded, the meeting adjourned by unanimous vote at 4:09 p.m. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

**APPROVED:**

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Susan Quaintance Ferguson, CPA, Chair

**COPY TESTE:**

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Nancy Glynn, CPA, Executive Director