

**Board Meeting
October 20, 2022
Final/Approved minutes**

The Virginia Board of Accountancy met on Thursday, October 20, 2022, in Board Room #1 of the Perimeter Center, 9960 Mayland Drive, Henrico, VA 23233.

MEMBERS PRESENT: Laurie A. Warwick, CPA, Chair
William R. Brown, CPA
Dale G. Mullen
David Cotton, CPA, CFE, CGFM
Nadia A. Rogers, CPA
Wendy P. Lewis, CPA, Vice Chair

LEGAL COUNSEL: James Flaherty, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Nancy Glynn, CPA, Executive Director
Renai Reinholtz, Deputy Director
Matthew Ross, Enforcement Director
Kelli Anderson, Communications Manager
Nicole Reynolds, Licensing and Operations Support
Elaina Johnson, IT Specialist
Vasa Clarke, Information and Policy Advisor

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

**MEMBERS OF THE
PUBLIC APPEARING
VIRTUALLY:** James Ray
John Fischel
Cynthia Paige
Arun Sareen

CALL TO ORDER

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

SECURITY BRIEFING

Ms. Reynolds provided the emergency evacuation procedures.

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DETERMINATION OF QUORUM

Ms. Warwick determined there was a quorum present.

Ms. Warwick reviewed parliamentary procedure and encouraged the Board to follow the agenda as closely as possible.

APPROVAL OF AGENDA

Upon a motion by Mr. Brown and duly seconded, the members voted unanimously to approve the October 20, 2022, agenda, as amended. The members voting “AYE” were Ms. Warwick, Mr. Brown, Ms. Lewis, Ms. Rogers, Mr. Mullen and Mr. Cotton.

APPROVAL OF MINUTES

Upon a motion by Mr. Brown and duly seconded, the members voted unanimously to approve the August 29, 2022, Board meeting minutes, as presented. The members voting “AYE” were Ms. Warwick, Mr. Brown, Ms. Lewis, Ms. Rogers, Mr. Mullen and Mr. Cotton.

PUBLIC COMMENT PERIOD

Cynthia Paige addressed the Board regarding the life and work of her father, Mr. Horance Floyd.

Emily Walker advised that the VSCPA has formed a task force to examine the requirement for 150 hours of education in order to qualify for the Virginia CPA license, especially as it relates to the CPA pipeline in Virginia. She noted that the VSCPA does not currently have a position on the matter.

NASBA and AICPA COMMITTEE UPDATES

Administrative and Finance Committee

Ms. Warwick announced she had recently been reappointed to the NASBA Administrative and Finance Committee.

NASBA Education Committee

Ms. Rogers advised the Board that the NASBA Education Committee had not met since the last Board meeting in August. The AICPA Board of Examiners closed the public comment period on September 30,

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2022, for the Education blueprint to be released in January 2023. Ms. Rogers informed the Board that she has been asked to serve on NASBA's Accounting Pipeline Task Force and the VSCPA's 150-hour Task Force.

NASBA Updates – Patricia Hartman, Director of Client Services, NASBA

Patricia Hartman apprised the Board of the NASBA preparations for CPA Evolution related to developing a consistent transition plan with particular attention to the Notice to Schedule (NTS) and exam score credits. She advised that NASBA would prefer that all Boards consider standardizing the length of the NTS.

The Board discussed the potential impacts of the 2024 go live dates for the new exam format. Ms. Glynn discussed how the changes will affect Virginia re-exam fees. Ms. Hartman fielded questions from the Board.

Enforcement Agenda – Matthew Ross, Enforcement Director

The following actions were taken during open session:

Case #2021-0021

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation, transcript and exhibits. W. Barclay Bradshaw, CPA, the Presiding Officer was not present.

Upon a motion by Ms. Lewis and duly seconded, the members voted to adopt the Informal Fact Finding Summary and Presiding Officer Recommendation, as written, finding the Respondent had violated Code of Virginia §54.1-4409.1(A), §54.1-4414(4), §54.1-111(A)(3) and to impose a \$1,000 monetary penalty.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

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VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

Case #2021-016-010U

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation, transcript and exhibits. W. Barclay Bradshaw, CPA, Presiding Officer, D. Brian Carson, CPA, Board Member and Nadia A. Rogers, CPA, Board Member were not present.

Upon a motion by Mr. Brown and duly seconded, the members voted to adopt the Informal Fact Finding Summary and Presiding Officer Recommendation, as written, finding Respondent had violated Code of Virginia §54.14414 (1) and (5), §54.1-4412.1 (A) and to impose a \$2,500 monetary penalty.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen – Aye

William R. Brown, CPA – Aye

Nadia A. Rogers, CPA – Abstain

David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Five (5)

Abstain: One (1)

Nays: None (0)

John Fischel addressed the Board regarding a current case.

PUBLIC COMMENT PERIOD – Enforcement

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Case #2021-022-010D

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation, transcript and exhibits. W. Barclay Bradshaw, CPA,

the Presiding Officer was not present. Both Respondent and his attorney, Jim Ray, Esquire, addressed the Board, requesting a determination of no violation.

A motion was made by Mr. Mullen that the record lacked substantial evidence to support a violation of the Code of Virginia §54.1-4413.3 (2) and (4). The motion was duly seconded and the Board unanimously approved the motion finding substantial evidence did not exist to support any violation on behalf of the Respondent and the matter should be closed.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

The Board entered into **closed session** under authority of § 2.2-3711(A) (8), consultation with legal counsel regarding specific legal matters.

Begin closed meeting

Upon a motion by Ms. Lewis, 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 a matter lawfully exempted from open meeting requirements under the ‘Legal advice regarding specific legal matters’ exemption contained in Virginia Code §2.2-3711 (A)(8).

The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn, Matthew Ross and James Flaherty.

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The members voting “AYE” were Ms. Warwick, Mr. Brown, Ms. Lewis, Ms. Rogers, Mr. Mullen and Mr. Cotton.

End closed meeting

Upon a motion by Ms. Lewis, and duly seconded, the Virginia Board of Accountancy 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 (D) 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.

The members voting “AYE” were Ms. Warwick, Mr. Brown, Ms. Lewis, Ms. Rogers, Mr. Mullen and Mr. Cotton.

Case #2020-032-019D

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation, transcript and exhibits. W. Barclay Bradshaw, CPA, the Presiding Officer, and D. Brian Carson, CPA, Board Member were not present.

Upon a motion by Mr. Mullen and duly seconded, the members voted to adopt the Informal Fact Finding Summary and Presiding Officer Recommendation, as written, finding the Respondent had violated Board regulations 18VAC5-22-90 and 18VAC5-22-170(A) and to impose a \$300 monetary penalty for Respondent’s violation of 18VAC5-22-170(A) and a Reprimand for Respondent’s violation of 18VAC5-22-90.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

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VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

Case #2022-0271

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation, transcript and exhibits. W. Barclay Bradshaw, CPA, the Presiding Officer, was not present.

Upon a motion by Mr. Brown and duly seconded, the members voted to adopt the Informal Fact Finding Summary and Presiding Officer Recommendation, with the following amendments to correct a scrivener's error. The Respondent violated Code of Virginia section §54.1-4413.3 Standards of Conduct and Practice subsections (1), (2), (3), and (7) and Code of Virginia section §54.1- 4413.3 Standards of Conduct and Practice subsection (4) which were all related to the misappropriation of Complainant's retirement funds by Respondent and not Code of Virginia section §54.1-4413 Standards of Conduct and Practice (1), (2), (3), and (7) and Code of Virginia section §54.1-4413 (4) Standards of Conduct and Practice, further Mr. Brown's motion stated the Board should reject the Informal Fact Finding Summary and Presiding Officer Recommendation as to a violation of §54.1-4413.3 (2) and (7) related to providing services restricted to licensed attorneys. Mr. Brown's motion included imposing the recommended monetary penalty of \$100,000 and Revocation of Respondent's CPA license for Respondent's violation of Code of Virginia §54.1-4413.3 (1), (2), (3), (4) and (7) related to the misappropriation of Complainant's retirement funds and a monetary penalty of \$1,375 for Respondent violation of 18VAC5-22-90 for failing to complete CPE requirements.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen – Aye

William R. Brown, CPA – Aye

Nadia A. Rogers, CPA – Aye

David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

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Case #2022-0367

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation, transcript and exhibits. W. Barclay Bradshaw, CPA, the Presiding Officer, was not present. Respondent addressed the Board via telephone and requested a reduction in the proposed monetary penalty.

Upon a motion by Ms. Lewis and duly seconded, the members voted to adopt the Informal Fact Finding Summary and Presiding Officer Recommendation, with the following amendment to correct a scrivener's error. The Respondent violated Code of Virginia section §54.1-4413.3 Standards of Conduct and Practice subsections (1), (2), (3), and (7), not Code of Virginia section §54.1-4413 Standards of Conduct and Practice subsection (1), (2), (3), and (7). Further, the motion included adopting the recommended monetary penalty of \$100,000 and Revocation of Respondent's Virginia CPA license.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

Case #2022-0010

The Board members reviewed the enforcement record, which included the Informal Fact Finding Summary and Presiding Officer Recommendation and exhibits. Nancy Glynn, CPA, the Presiding Officer, was not present.

Upon a motion by Ms. Rogers and duly seconded, the members voted to adopt the Informal Fact Finding Summary and Presiding Officer Recommendation with the amendment that the Respondent may not apply for reinstatement of her Virginia CPA license for a period of one year, instead of Respondent's license being suspended for one year and to impose a monetary penalty of \$1,500 for Respondent's violation of 18VAC5-22-90.

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CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

Case #2021-0026

The Board members reviewed a settlement offer provided by the Respondent's counsel.

Upon a motion by Mr. Mullen and duly seconded, the members voted to continue the matter until the November Board meeting.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

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EXECUTIVE DIRECTOR'S REPORT

General updates

- Ms. Glynn informed the Board that an IT consultant has been retained to assist with implementation of a new licensing system. Ms. Glynn requested that, along with VITA, Mr. Cotton, Mr. Carson and the new consultant review any new contracts to assist VBOA with meeting the 2024 implementation date. Ms. Glynn noted that the IT Specialist position had recently been posted.
- Ms. Glynn described several upcoming IT changes and advised which staff would be assigned to assist until a new IT Specialist is hired.
- Ms. Glynn informed the Board regarding reports required by the Office of the Secretary of Finance.
- Ms. Glynn commented on the NASBA Update as it related to the NTS and Credit Extensions.
- The Board discussed the matter and approved the extension of any exam credits that exist as of December 15, 2023, to expire June 30, 2025. VBOA will report back to NASBA concerning the decision.

Financial and Board Report update

Ms. Reinholtz presented and fielded questions regarding the September Financial and Board Report.

Enforcement update

Mr. Ross provided handouts and reported on the progress of the Enforcement Division. He fielded questions from the Board.

Policy update

Mr. Clarke informed the Board that an audit review of VBOA regulations, as required by state law, has been conducted and a public comment period has been scheduled.

Mr. Clarke described VBOA participation in the Governor's Unified Regulatory Plan and will update the Board if feedback is received.

Board Discussion Topics- Laurie A. Warwick, CPA, Chair

Ms. Anderson presented and fielded questions from the Board regarding progress on the 2023 VBOA Segment ethics video. She advised the project should be completed by November 2022.

Adjourn for lunch

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The Board entered into **closed session** under authority of § 2.2-3711(A) (1), consultation with legal counsel regarding specific personnel matters.

Begin closed meeting

Upon a motion by Ms. Lewis, 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 a matter lawfully exempted from open meeting requirements under the

‘[discussion of] specific public officers, appointees, or employees’ exemption contained in Virginia Code §2.2-3711 (A) (1).

The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and James Flaherty.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

Sherida Haughton, Consultant, VCU Performance Management Group

Ms. Haughton led the presentation in closed session

End closed meeting

Upon a motion by Ms. Lewis, and duly seconded, the Virginia Board of Accountancy 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 (D) of the Code of Virginia requires a

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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:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

AICPA Exposure Draft, Maintaining the Relevance of the Uniform CPA Exam – Nadia Rogers, CPA

Ms. Rogers thanked the Board for reviewing the Exposure Draft. NASBA's comment letter dated September 29, 2022, was shared with the Board. The comment period ended September 29, 2022, and the final blueprint is to be released in January 2023.

Draft Revised Policy #9 Inactive Status Procedure for Approval/Denial/Appeal – Wendy Lewis, CPA

Ms. Lewis led the discussion regarding suggested revisions to VBOA Inactive Policy #9. She advised that numerous applications were being received by CPAs who have held the license for one to two years. Board members and Ms. Walker of VSCPA participated with questions and comments surrounding the current trends in Inactive applications and need for clarity, purpose and proper use of the Inactive Status. It was generally agreed that a CPA should hold an Active license for at least 5 years before applying for the Inactive Status.

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Upon a motion by Mr. Mullen and duly seconded, the members voted to approve VBOA Policy #9 as amended to include the five year limit as of December 1, 2022.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Abstain
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

VOTE:

Ayes: Five (5)
Abstain: One (1)
Nays: None (0)

S.M.A.R.T. Goals update - Nancy Glynn, CPA

Education Accreditation: October 2022, Nadia Rogers, CPA

Ms. Glynn advised that the new Guidelines for Accreditation of Educational Institutions are meant to provide guidance to applicants. Ms. Rogers explained that the goal is for the current regulation to be simplified. She then reviewed the Guidelines and associated Appendix with the Board.

Upon a motion by Mr. Cotton and duly seconded, the members voted to approve the Guidelines for Accreditation of Educational Institutions.

CALL FOR VOTE:

Laurie A. Warwick, CPA – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
William R. Brown, CPA – Abstain
Nadia A. Rogers, CPA – Aye
David Cotton, CPA, CFE, CGFM – Aye

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Ayes: Five (5)

Abstain: One (1)

Nays: None (0)

Education for Exam: Draft August 2022-Final February 2023-Communications April 2023

Education for Licensure: May 2022 – Now January 2023

Ms. Glynn noted that the AICPA Exposure Draft of the CPA Exam blueprint released in June 2022 for comment will have an impact on licensure and the CPA Exam.

Once the blueprint is finalized, recommendations for the VBOA Education Handbook will be presented to the Board in January or February 2023.

Enforcement: Use of CPA Title - Draft October 2022 – Final November 2022

Ms. Glynn clarified that the guideline is not yet ready for approval but would be discussed thoroughly at the meeting. Mr. Cotton led the discussion and outlined the team’s approach to any expanded guidance on Use of the CPA Title.

There was participation from Board members, Mr. Flaherty, Mr. Ross and Ms. Walker. The Code of Virginia was discussed in detail. VSCPA suggested if changes were to be made they may take the form of changes to legislation. Ms. Warwick suggested that Ms. Walker take the subject to VSCPA and that the matter would be a topic of discussion again in the November Board Meeting.

ADDITIONAL ITEMS FOR DISCUSSION

- Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates – Current and future meeting dates were discussed and are subject to change.
 - November 29, 2022
 - January 9, 2023 (new date)
 - March 27, 2023 (new date) Hampton University
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ADJOURNMENT

There being no further business before the VBOA, Ms. Warwick adjourned the meeting at 2 p.m.

APPROVED:

Laurie A. Warwick, CPA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director