



Board Meeting
January 25, 2017
Final/approved minutes

The Virginia Board of Accountancy met on Wednesday, January 25, 2017, at the Virginia Society of CPAs, 4309 Cox Road, Glen Allen, Virginia 23060.

MEMBERS PRESENT: James M. "Jim" Holland, CPA, Chair
Matthew P. Bosher, Esq., Vice Chair
D. Brian Carson, CPA, CGMA
Susan Quaintance Ferguson, CPA
Andrea M. Kilmer, CPA, CFF, CGMA
Stephanie S. Saunders, CPA

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

LEGAL COUNSEL: Anna Birkenheier, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Wade A. Jewell, Executive Director
Chantal Scifres, Deputy Director
Rebekah Allen, Enforcement Director
Kelli Anderson, Communications Manager

**MEMBERS OF THE
PUBLIC PRESENT:** Stephanie Peters, CAE, President and CEO, Virginia Society of CPAs
Amy Mawyer, Vice President, Strategy and Development, Virginia
Society of CPAs
Linda Newsom-McCurdy, CAE, Education Director, Virginia Society of
CPAs
Nadia Rogers, CPA, PROC Chair
Dr. Delores King, CPA, PROC Member
Reza Mahbod, CPA, PROC Member
Steven P. Walls, CPA, PROC Member
Kevin Savoy, CPA, CISA, Audit Director, Strategic Risk Management,
APA
Shiree Parnell, Senior Auditor, Data Analysis Specialty Team, APA

CALL TO ORDER

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



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SECURITY BRIEFING

Ms. Anderson provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Holland determined there was a quorum present. Mr. Holland informed the Board that Ms. Warwick had requested, per Board Policy #10 (Electronic Participation in VBOA Meetings), that she be permitted to participate in the meeting via telephone during the meeting for a personal matter. It was determined that she met the qualifications per Board Policy #10. No objections were raised.

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the January 25, 2017, agenda. The members voting “aye” were Mr. Holland, Mr. Bosher, Ms. Ferguson, Ms. Saunders, Ms. Warwick, Ms. Kilmer and Mr. Carson.

APPROVAL OF CONSENT AGENDA

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to:

- (1) Approve the December 14, 2016, Board meeting minutes. The members voting “aye” were Mr. Holland, Mr. Bosher, Ms. Ferguson, Ms. Saunders and Ms. Warwick.
- (2) Approve the consent orders listed on the agenda. The members voting “aye” were Mr. Holland, Mr. Bosher, Ms. Ferguson, Ms. Saunders, Ms. Kilmer, Mr. Carson and Ms. Warwick.

PUBLIC COMMENT PERIOD

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

APA – FY2016 AUDIT UPDATE

Mr. Savoy presented an APA – FY2016 Audit Update to the Board, including the FY2016 Audit Engagement Memo. He began by giving a brief history of the APA as well as examples of different state agencies they audit. Historically, the VBOA audit has been a very clean audit that is straightforward and expects the same moving forward with FY2016. Mr. Savoy and Ms. Parnell are handling the VBOA audit and the planned time period is February 2017 through April 2017.

PROC UPDATE/PRESENTATION

Ms. Rogers presented an update from the Peer Review Oversight Committee. The report detailed evaluations on policies and procedures from Jan. 1-Dec. 31, 2016, of the VSCPA and the National Peer Review Committee as they relate to the administration of the AICPA Peer Review Program for firms licensed by the VBOA. Based on their review, Ms. Rogers explained the committee believes peer reviews



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are being conducted and reported on consistently and in accordance with the Standards for Performing and Reporting on Peer Reviews.

Mr. Jewell and Ms. Saunders thanked the members who attended the meeting for all their work on the committee, which is a volunteer-only committee. Ms. Warwick, as PROC liaison, also mentioned wanting to participate in a future teleconference meeting with PROC.

COMMITTEE/NASBA UPDATES

NASBA CPE Committee

Mr. Holland led the discussion regarding the NASBA CPE Committee. He noted a January 24, 2017, conference call that discussed changes to the CPE Model Rules with an exposure draft available until April 2017 to review.

NASBA Diversity Committee

Ms. Kilmer led the discussion regarding the NASBA Diversity Committee. She noted there was nothing new to report but planning for the annual meeting had begun with getting more involved with universities and schools and talking with students directly about CPAs to remove some of the previous stigmas around the profession.

NASBA Standard-Setting Advisory Committee

Mr. Bosher led the discussion regarding the NASBA Standard-Setting Advisory Committee. He noted he attended a committee meeting on January 4, 2017, where they discussed the use of data analytics in audit work and how there are no standards that currently apply. He also discussed the charge of the committee is to evaluate the processes of many standard-setting bodies and spending time identifying those bodies and best practices in standard-setting.

NASBA Education Committee

There were no updates to the NASBA Education Committee.

NASBA Communications Committee

Mr. Carson led the discussion regarding the NASBA Communications Committee. He noted they have a very active committee with monthly conference calls and an annual meeting. The committee is charged with promoting effective and efficient communications between boards and NASBA and letting boards know what is available. He also mentioned that currently 35 state boards have used NASBA for their communication services.



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NASBA UAA Committee

Ms. Saunders led the discussion regarding the NASBA UAA Committee. She noted the joint committee with the AICPA met in January and discussed the approval of the CPE model rules. The committee has been charged with providing language in the UAA to deal with the issue of non-CPA CGMA title users. She also noted that Virginia doesn't have an issue with this topic based on our current statutes.

NASBA Middle Atlantic Regional Director

Ms. Saunders led the discussion regarding her role as NASBA's Middle Atlantic Regional Director. She noted she participates in regional phone calls that discuss numerous, relative topics, to include the CPA exam, compliance assurance committee, financial statements and model rules, to include phone calls specifically for the Middle Atlantic Region. She also stated the first nano-learning sponsor was approved in December 2016 for the CPEregistry.org and noted that Virginia is one of the few states to approve nano-learning as acceptable CPE credits at this time.

NASBA Executive Director's Committee

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. The committee has finalized the agenda for the annual Executive Director's and Staff Conference to be held in New Orleans, LA in March 2017. Mr. Jewell noted there are continued discussions with many boards over the use of titles, including non-CPA CGMAs and the evolution of Peer Review administration.

EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented the following general updates regarding the VBOA:

- The new VBOA licensing/database project continues to move forward. VITA has implemented some new process that slowed the project down; however, the process is moving again. There is no timeline at this time.
- The VBOA bill in the General Assembly passed unanimously in front of a 15-member committee of the Senate on January 23, 2017. The next steps are for it to go to the full Senate for approval and then the House.
- Ms. Anderson showed the Board the latest VBOA video discussing initial individual CPA licensure.

December 2016 Board Report

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

December 2016 Financial Report

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



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Presentation of Draft FY2016 Financial Statements

Ms. Scifres presented and fielded questions regarding the FY2016 Financial Statements. Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the Draft FY2016 Financial Statements. The members voting “aye” were Mr. Holland, Mr. Bosher, Ms. Ferguson, Ms. Saunders, Ms. Warwick, Ms. Kilmer and Mr. Carson.

BOARD DISCUSSION TOPICS

2016 and 2017 Virginia-Specific Ethics Course updates

Ms. Newsom-McCurdy projected they anticipated approximately 20,500 Virginia-Specific Ethics Course takers in 2016 from approved sponsors. So far, the ratings for the content are at 4.5, on par with the 2015 course. The VSCPA has provided Mr. Jewell with the first draft of the 2017 course and they are on schedule to distribute the course on time. Mr. Jewell noted he already completed filming the introductory video for the course.

AICPA Discussion Paper – Proposed Evolution of Peer Review Administration

Mr. Jewell provided a brief overview of the latest evolution of Peer Review Administration proposal from the AICPA, but discussed having a more in-depth presentation from the VSCPA during the February Board meeting.

Due to changes that have been proposed in the Board’s statutes regarding peer review requirements for firms, Mr. Jewell suggested an edit to the 2017 Virginia-Specific Ethics Course, deferring this topic to the 2018 course. Upon a motion by Mr. Bosher, and duly seconded, the members voted unanimously to remove the text regarding peer review requirements from the 2017 Virginia-Specific Ethics Course outline. The members voting “aye” were Mr. Holland, Mr. Bosher, Ms. Ferguson, Ms. Saunders and Mr. Carson. Ms. Kilmer and Ms. Warwick were not present for the vote.

RECESS FOR LUNCH

12:00 p.m.

RECONVENE

12:35 p.m.



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BOARD DISCUSSION TOPICS, CONTINUED

Recommendations for CEP credit (exams)

Ms. Ferguson discussed adding the Series 6 and Series 63 exams to the VBOA-approved listing of certifications/exams/licensures for accepting CPE hours. Ms. Kilmer noted that the Board should review the listing periodically to remain current.

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to accept 10 CPE hours for the Series 6 Exam and 7 CPE hours for the Series 63 Exam. The members voting “aye” were Mr. Holland, Mr. Bosher, Ms. Ferguson, Ms. Saunders, Ms. Kilmer and Mr. Carson. Ms. Warwick was not present for the vote.

Proposed changes to CPE deficiency guidelines

Ms. Allen presented proposed changes to the CPE deficiency guidelines to the Board to review and discuss. Changes included updates to the statement of intent, reinstatement timelines and compounding penalties.

The guidelines will be revised based on the Board discussions, reviewed by legal counsel, and brought back before the Board prior to being posted on the VBOA website for comments.

Proposed changes to Board Regulations (initial draft)

Mr. Jewell stated these are very preliminary discussions regarding changes to the Board Regulations. Proposed changes include removing fees that are listed for services not provided anymore, as well and determining if some of the smaller monetary fees can be removed. Language will also be updated to align with statute changes regarding the ‘use of the CPA title’ and financial statement preparation services. Other changes include adding language about the Active – CPE Exempt status. Mr. Jewell noted there is no timeline to submit regulation changes. Mr. Bosher suggested it would be best to wait for the statute changes to finalize and then revisit these proposed changes at a later date so they are both aligned appropriately.

ADDITIONAL ITEMS FOR DISCUSSION

Carry over items/potential future topics

- CPE – VBOA/VSCPA discussions
- Single renewal date all Virginia licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Fraudulent Transcripts and CPE Certificates
- North Carolina Dental Case



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Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- Wednesday, February 22, 2017
 - Thursday, April 27, 2017
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ENFORCEMENT

Begin closed meeting

Upon a motion by Ms. Kilmer, 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-members will be in attendance to reasonably aid in the consideration of this topic: Anna Birkenheier and Wade Jewell. The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Rebekah Allen.

End closed meeting

Upon a motion by Ms. Kilmer, 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:

Matthew P. Bosher, Esq. – Aye

Susan Quaintance Ferguson, CPA – Aye



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Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
D. Brian Carson, CPA – Aye

VOTE:

Ayes: Five (5)
Nays: None

Mr. Holland and Ms. Warwick were not present and did not participate in the closed discussion.

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

1. **Case #2014-D0026:** Upon a motion by Ms. Kilmer, and duly seconded, upon the request of the respondent's attorney, the members voted unanimously to waive the 2015 Virginia-Specific Ethics Course requirement.

CALL FOR VOTE:

Matthew P. Bosher, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
D. Brian Carson, CPA – Aye

VOTE:

Ayes: Five (5)
Nays: None

2. **Case #2016-0018E (Bradshaw and Allen):** Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to table their decision pending further discussion.

CALL FOR VOTE:

Matthew P. Bosher, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
D. Brian Carson, CPA – Aye

VOTE:

Ayes: Five (5)
Nays: None



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Begin closed meeting

Upon a motion by Ms. Kilmer 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 to discuss and consider a personnel matter relating to the Board of Accountancy staff, a matter lawfully exempted from open meeting requirements under the 'personnel matters' exemption contained in the Virginia Code § 2.2-3711(A)(1). The following non-members will be in attendance to reasonably aid in the consideration of this topic: Wade Jewell.

End closed meeting

Upon a motion by Ms. Kilmer, 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:

Matthew P. Bosher, Esq. – Aye

Susan Quaintance Ferguson, CPA – Aye

Andrea M. Kilmer, CPA – Aye

Stephanie S. Saunders, CPA – Aye

D. Brian Carson, CPA – Aye

VOTE:

Ayes: Five (5)

Nays: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Ms. Saunders and duly seconded, the meeting was adjourned by unanimous vote at 3:43 p.m. The members voting "aye" were Mr. Bosher, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Mr. Carson.



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APPROVED:

James M. "Jim" Holland, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director