

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

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

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**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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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.

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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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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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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-

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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

ADDITIONAL ITEMS FOR DISCUSSION

Carry over items/potential future topics

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

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- 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

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

VOTE:

Ayes: Seven (7)

Nays: None

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:

Susan Quaintance Ferguson, CPA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director