
**Board Meeting
April 27, 2017
Final/Approved minutes**

The Virginia Board of Accountancy met on Thursday, April 27, 2017, in Board Room #1 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: D. Brian Carson, CPA
Susan Quaintance Ferguson, CPA
Andrea M. Kilmer, CPA
Stephanie S. Saunders, CPA
Laurie A. Warwick, CPA

**MEMBER PRESENT
FOR A PORTION OF
THE MEETING:** James M. “Jim” Holland, CPA, Chair

MEMBER ABSENT: Matthew P. Boshier, Esq., Vice Chair

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

**LEGAL COUNSEL
PRESENT BY
TELECONFERENCE
FOR A PORTION OF
THE MEETING AND
CLOSED SESSION:** Joshua Laws, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Wade A. Jewell, Executive Director
Fred Washington, Deputy Director
Mary Charity, Director of Operations
Rebekah Allen, Enforcement Director
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant
Christine Rappe, CPE Coordinator

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**MEMBERS OF THE
PUBLIC PRESENT:**

Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants
Maureen Dingus, CAE, Chief Operating Officer, Virginia Society of Certified Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants
Amy Mawyer, Vice President, Strategy and Development, Virginia Society of Certified Public Accountants
Linda Newsom-McCurdy, CAE, Education Director, Virginia Society of Certified Public Accountants
William (Bill) Berry, CPA, Kimble
Brent A. Jackson, Esq., Brent A. Jackson & Associates, P.C.
Phil B. Shane, Ph.D., Accounting Department Chair, Mason School of Business, College of William & Mary
Kimberley Vanhuss, CPA, Kimble
Pam Woodson
Patrick A. Cushing, Esq., Williams Mullen, Counsel for Virginia Society of Certified Public Accountants

CALL TO ORDER

Ms. Saunders called the meeting to order at 10:00 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Saunders determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to approve the April 27, 2017, agenda as amended. The members voting “**AYE**” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

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PUBLIC COMMENT PERIOD FOR ITEMS ON THE CONSENT AGENDA

Ms. Saunders welcomed and invited members of the public to provide comments regarding the consent agenda. Professor Shane thanked the Board for this opportunity and spoke on his behalf.

APPROVAL OF CONSENT AGENDA/MINUTES

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to approve the Consent Agenda as amended to include the February 22, 2017 Board meeting minutes as presented. The members voting “**AYE**” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

PUBLIC COMMENT PERIOD

There were no public comments at this time.

COMMITTEE/NASBA UPDATES

NASBA CPE Committee

There were no updates to the NASBA CPE Committee.

NASBA Standard-Setting Advisory Committee

Ms. Saunders led the discussion regarding the NASBA Standard-Setting Advisory Committee in Mr. Boshers' absence. She noted the committee planned to be more active this year with data analytics as a hot topic.

NASBA Diversity Committee

Ms. Kilmer led the discussion regarding the NASBA Diversity Committee. She noted the committee is scheduled to meet on May 9 in Nashville, TN.

NASBA Education Committee

Ms. Ferguson led the discussion regarding the NASBA Education Committee. She noted the committee met on March 16 and 17. Topics of discussion included addressing the skills gap with new employees and critical thinking.

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NASBA Communications Committee

Mr. Carson led the discussion regarding the NASBA Communications Committee. He noted the scheduled conference call for March had been postponed.

NASBA UAA Committee

Ms. Saunders led the discussion regarding the NASBA UAA Committee. She noted the committee had been charged with providing language in the UAA to deal with the issue of non-CPA CGMA title users. She noted the committee did agree to language in regards to the Use of Titles and the NASBA board agreed to expose the Exposure Draft. AICPA needs to also vote on the exposure. While Virginia does not have an issue with this topic based on current statutes she will review with the Board at a later date for possible comments.

NASBA Middle Atlantic Regional Director

Ms. Saunders led the discussion regarding her role as NASBA's Middle Atlantic Regional Director. Ms. Saunders noted focus questions were due on April 10, 2017. Responses have been received by 31 state boards. She noted that Virginia had responded. She noted topics for the June regional meeting were discussed.

NASBA Executive Director's Committee

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. He noted the American Institute of CPAs (AICPA), National Association of State Boards of Accountancy (NASBA) and Prometric were pleased to announce the successful launch of the updated version of the Uniform CPA Examination on April 1, 2017. He noted May 31 as the last testing day for the current window. Scores will not be released until late August and a review of candidates would be on a case by case basis regarding any examination score extensions due to the score delay.

Mr. Jewell noted he had attended a NASBA/AICPA/Prometric Quarterly Business Review meeting in late January, an AICPA/NASBA Accreditation Task Force Meeting in late January, an AICPA/NASBA summit meeting in February and a NASBA Board meeting in April.

Mr. Jewell noted both the Executive Directors/Staff and the Legal Counsel Conferences were held March 14th – 16th in New Orleans, Louisiana. Mr. Jewell and Ms. Anderson attended the Executive Directors/Staff Conference while Ms. Allen attended the Legal Counsel Conference. For a third consecutive year State Society CEOs were invited. Ms. Peters was also in attendance. Mr. Jewell provided an overview of the presentations. Mr. Jewell also noted the conference was well attended. The

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Executive Director's Committee will next meet following NASBA's Eastern Regional Meeting on June 30 in Newport, RI.

NASBA Nominations

Ms. Kilmer led the discussion regarding NASBA nominations. Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to nominate Mr. Jewell for the Lorraine P. Sachs Standard of Excellence Award. The members voting "AYE" were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to nominate Ms. Saunders for a third term as the NASBA Middle Atlantic Regional Director and to continue to serve on NASBA's Board of Directors. The members voting "AYE" were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

OTHER

Ms. Saunders introduced Mr. Washington as the Board's new Deputy Director. Mr. Washington noted he had been in state government for 21 years in various capacities and looked forward to working with the staff and Board members.

Ms. Birkenheier introduced Mr. Drewry as the Board's new legal counsel. She noted she had enjoyed working with the Board and would continue to be of assistance if necessary.

EXECUTIVE DIRECTOR'S REPORT

General Updates

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

- The new VBOA licensing/database project continues to move forward. VITA continues to ensure the new system maintains the highest security.
- Ms. Charity will continue to compose CPE compliance statistics for the Board members.
- Mr. Jewell noted Ms. Brentni Henderson, NASBA, Associate Director Business Development & Research had visited the VBOA office on April 6. She spoke with select staff regarding the issues around educational institutions accreditation, evaluation services, transfer credits, education evaluation providers, fraudulent documents and experience credits.

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- Mr. Jewell noted beginning July 1, 2017 all licensure experience must be verified by an active, licensed CPA.
- The CPA CPE audits have been increased to 10% monthly.

March 2017 Board Report

Mr. Jewell presented and fielded questions regarding the March 2017 Board Report.

March 2017 Financial Report

Mr. Jewell presented and fielded questions regarding the March 2017 Financial Report.

BOARD DISCUSSION TOPICS

2017 Virginia-Specific Ethics Course updates

Ms. Newsome-McCurdy led the discussion regarding the 2017 Virginia-Specific Ethics course. She noted the course content was available on March 1, 2017 as scheduled. The VSCPA has had 541 participants to date take the course. She also noted the comments received from participants thus far had been favorable.

Approval of changes to CPE deficiency guidelines

Ms. Allen led the discussion regarding the proposed changes to the CPE deficiency guidelines and comments received from the public. Ms. Walker and Ms. Peters offered comments and concerns. Ms. Allen fielded questions from Board members and the VSCPA.

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to accept the proposed changes to the CPE deficiency guidelines as presented. The members voting “**AYE**” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Presentation of guidelines for assessing non-CPE penalties

Ms. Allen led the discussion regarding the presentation of guidelines for assessing non-CPE penalties. She noted the document was a rough draft and outlined the sections including Statement of Intent, Aggravation of Penalty, Mitigation of Penalty and Rehabilitation Criteria. The Board requested that Mr. Drewry review the document and provide comments.

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Repeal of § 54.1-4413.2(B) and treatment of expired licenses post July 1, 2017

Mr. Jewell and Ms. Allen led the discussion regarding the repeal of § 54.1-4413.2(B) and the impact it would have on licensing processes. Ms. Walker and Ms. Peters provided comments and made suggestions for a transition plan to be put in place after July 1, 2017. The Board requested that Mr. Drewry provide guidance at the next scheduled meeting.

Single renewal date for all Virginia licensees

Discussion of a proposed single renewal date for all Virginia licensees' was deferred to the May meeting.

Proposed changes to Board Policy #4 (retention period from 3 to 4 years)

Ms. Allen led the discussion regarding the proposed changes to Board Policy #4 (CPE documentation retention period from 3 to 4 years). Ms. Allen noted a four year CPE retention period would ensure uniformity in CPE compliance reviews. A thorough discussion ensued and the Board members agreed. Revisions to Board Policy #4 will be posted on the VBOA website for public comment.

AICPA Discussion Paper – Proposed Evolution of Peer Review Administration – updated January 2017

Mr. Jewell led the discussion regarding the AICPA discussion paper – Proposed Evolution of Peer Review Administration – Revised January 2017. He noted the Peer Review Oversight Committee had provided comments (provided to all present). The Board will take these comments into consideration and respond by the June 30, 2017 deadline, following discussions at the NASBA Regional Meetings in June.

CPE Credit for Exams

Ms. Ferguson led the discussion in recommending CPE credit for the Certified Financial Planner (CFP), Certified Anti-Money Laundering Specialist (CAMS) and the ACAMS Advanced AML Audit Certification (CAMS-Audit). Ms. Ferguson recommended 30 CPE for the CFP, 10 CPE for the CAMS and 10 CPE for the CAMS-Audit.

Upon a motion by Ms. Ferguson and duly seconded, the members voted unanimously to accept the proposed CPE recommendations as presented. The members voting “**AYE**” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

RECESS FOR LUNCH 12:11 p.m.

RECONVENE 12:45 p.m.

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Public comment period for enforcement cases being discussed in closed session

Mr. Jackson spoke on behalf of Mr. Ryan Shipley. Mr. Shipley was not present.

Mr. Berry spoke on behalf of Mr. Ryan Shipley.

Ms. Vanhuss spoke on behalf of Mr. Ryan Shipley.

ENFORCEMENT

Begin closed meeting

Upon a motion by Ms. Saunders, 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: Joshua Laws, Robert Drewry and 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:

James M. “Jim” Holland, CPA – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Abstain

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Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Abstain
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Four (4)
Abstain: Two (2)
Nays: None

Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed discussion.

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: Joshua Laws, Anna Birkenheier, Robert Drewry, Wade Jewell and 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:

James M. “Jim” Holland, CPA – Aye
D. Brian Carson, CPA – Aye

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Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

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: Joshua Laws, Robert Drewry and 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:

James M. “Jim” Holland, CPA – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Abstain
Andrea M. Kilmer, CPA – Aye

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Stephanie S. Saunders, CPA – Abstain
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Four (4)
Abstain: Two (2)
Nays: None

Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed discussion.

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

Case #2016-0018D (Ferguson and Saunders)

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to table their decision pending further discussion.

Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed discussion.

CALL FOR VOTE:

James M. “Jim” Holland, CPA – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Abstain
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Abstain
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Four (4)
Abstain: Two (2)
Nays: None

Begin closed meeting

Upon a motion by Ms. Saunders, 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

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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 Robert Drewry. The following non-members will be in attendance for a portion of the closed meeting to reasonable aid in the consideration of this topic: Wade Jewell and Rebekah Allen.

End closed meeting

Upon a motion by Ms. Saunders, 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:

James M. “Jim” Holland, CPA – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)
Nays: None

Case# 2016-CPE-0048 (Jewell and Allen)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the final order as presented.

CALL FOR VOTE:

James M. “Jim” Holland, CPA – Aye

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D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

Case#2016-0043U (Ferguson and Saunders) and Case#2017-015-001D (Ferguson and Saunders)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the consent orders as presented.

CALL FOR VOTE:

James M. “Jim” Holland, CPA – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

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, May 24, 2017
 - Wednesday, June 14, 2017
-

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 2:30 p.m. The members voting **AYE** were Mr. Holland, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

APPROVED:

James M. "Jim" Holland, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director