



VIRGINIA BOARD
OF ACCOUNTANCY

Board Meeting

May 24, 2017

Final/Approved minutes for the 2017 Annual Planning Meeting

The Virginia Board of Accountancy met on Wednesday, May 24, 2017, at the Virginia Society of CPAs, 4309 Cox Road, Glen Allen, Virginia 23060.

MEMBERS PRESENT: Matthew P. Bosher, Esq., Vice Chair
D. Brian Carson, CPA
Susan Quaintance Ferguson, CPA
Stephanie S. Saunders, CPA

**MEMBER PRESENT
FOR A PORTION OF
THE MEETING:** James M. "Jim" Holland, CPA, Chair
Laurie A. Warwick, CPA

**MEMBER PRESENT
BY TELECONFERENCE
FOR A PORTION OF
THE MEETING:** Andrea M. Kilmer, CPA

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

**LEGAL COUNSEL
PRESENT BY
TELECONFERENCE
FOR A PORTION OF
CLOSED SESSION:** Joshua Laws, Assistant Attorney General,
Office of the Attorney General
Anna Birkenheier, 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
Nicholas R. Tazza, Assistant Manager, Licensing and Examination
Patti Hambright, CPE Coordinator and Administrative Assistant



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MEMBERS OF THE PUBLIC PRESENT:

Kevin Savoy, CPA, CGMA, Audit Director, APA
Shiree Parnell, In-Charge Auditor, APA
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
Linda Newsom-McCurdy, CAE, Education Director, Virginia Society of
Certified Public Accountants
Patrick A. Cushing, Esq., Williams Mullen, Counsel for Virginia Society
of Certified Public Accountants
Brent A. Jackson, Esq., Brent A. Jackson & Associates, P.C.

CALL TO ORDER

Mr. Holland called the meeting to order at 9:10 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Holland determined there was a quorum present. Mr. Jewell informed that Board that Ms. Kilmer had requested for medical reasons, per Board Policy #10 (Electronic Participation in Virginia Board of Accountancy Meetings), that she be permitted to participate in the meeting via telephone during closed session. 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 May 24, 2017, agenda as amended. The members voting “AYE” were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Saunders and Ms. Warwick.



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APPROVAL OF CONSENT AGENDA/MINUTES

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to approve the Consent Agenda as amended. The members voting “AYE” to the Consent Agenda as amended were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Saunders and Ms. Warwick. Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to approve the April 27, 2017 Board meeting minutes as presented. Members voting “AYE” to the Minutes were Mr. Carson, Ms. Ferguson, Ms. Saunders and Ms. Warwick. Mr. Holland and Mr. Bosher both abstained.

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 EXIT

Mr. Savoy, CPA, CGMA, Audit Director, Auditor of Public Accounts (APA) led the discussion regarding the results of the annual FY2016 audit. The audit period encompassed July 1, 2015 through June 30, 2016. Mr. Savoy reported the APA has concluded its FY2016 audit and reported no findings. Mr. Savoy reported that the audit went smoothly noting the financial statements were presented fairly in all material respect, no internal control findings required management’s attention, and there were no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Mr. Savoy noted the conscientiousness work of the Board and staff had made the FY2016 audit compliance a much easier task. Mr. Jewell thanked Mr. Savoy and Ms. Parnell for their professionalism and approach to the FY2016 audit.

PRESENTATION OF DISCUSSION TOPICS

Typically during the annual planning meeting the Board Chair turns the discussion topics portion of the meeting over to the Board’s Vice Chair. Mr. Holland followed suit and turned the meeting over to Mr. Bosher.

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 draft and provided aggravating factors, mitigating factors, and rehabilitation criteria to be considered by the Enforcement Committee in providing penalties in proposed decisions. After a thorough discussion the Board agreed the disciplinary guidelines for assessing non-CPE penalties draft document would be posted on the VBOA website for public comment.



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Guidelines for assessing non-CPE penalties - social media discussion

Ms. Saunders led the discussion regarding social media as it relates to enforcement and use of title. She noted LinkedIn as a widely used social platform but frequently not kept up-to-date by individuals thus resulting in unlicensed activity complaints. Ms. Anderson will address this concern in the VBOA's July newsletter. The newsletter emailing will include individuals with expired licenses.

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

Mr. Jewell led the discussion regarding the proposed changes to Board Policy #4. He noted the NASBA CPE tracking system as a useful tool in managing/saving CPE certificates that would meet the Board's requirements.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the proposed changes to Board Policy #4 as presented. The members voting "AYE" were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Saunders and Ms. Warwick.

Periodic review of regulations and proposed changes that:

- **Qualify for exempt action**
- **Potentially qualify for fast track**
- **Will be handled through normal process**

Ms. Allen led the discussion regarding the periodic review of regulations and proposed changes that qualify for an exempt action, those that would potentially qualify for fast track and changes to be handled through the normal process. Ms. Allen noted proposed regulation (exempt) changes included making changes that were identical to those made to the statutes that are effective July 1, 2017, to include removing the verbiage "using the CPA title" and updating the reference to working to or on behalf of an employer. Ms. Allen noted proposed regulations (fast track) included bringing definitions and the fees charged up-to-date, updates to the CPE section, and clarification of the communications with the Board section. After a thorough discussion the Board provided additional suggestions and will review and vote on the exempt revisions at the next Board meeting scheduled for June 14, 2017. Ms. Allen also provided a timeline for regulatory changes, to include a required periodic review.

Publication of Board Disciplinary Actions – California initiative update

Ms. Allen led the discussion regarding the publication of Board disciplinary actions – California initiative update. She noted for the VBOA to maintain substantial equivalency with the California Board the disciplinary history of a CPA must be tied to the CPA public search available on the VBOA and/or



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CPA Verify website(s). Mr. Jewell reached out to NASBA for their assistance and was given a deadline to provide a spreadsheet containing the disciplinary history required by the California Board. Ms. Allen noted the deadline had been met.

NASBA's CPT Professional Ethics Certification Program

Ms. Jewell and Ms. Saunders led the discussion regarding NASBA's CPT professional ethics certification program and provided a handout for Board members. Mr. Jewell and Ms. Saunders provided an overview of how Missouri's board of accountancy is utilizing the certification program in their enforcement/disciplinary process. The Board will continue this discussion.

Overview of CPE audit process

Ms. Charity led the discussion regarding the overview of the CPE audit process, providing a summary of the steps taken during a CPE audit. She noted currently 10% of licensed CPAs were being audited. Ms. Charity noted the benefits of the NASBA CPE tracking system and the benefits of keeping CPE logged as it is obtained. Currently all CPE taken through the VSCPA is automatically uploaded to the system.

CPE for publications/written materials

Ms. Ferguson led the discussion regarding receiving CPE for publications/written materials. The Board discussed thoroughly CPE limitations placed on presentations and other CPE methods. The Board will review the new CPE guideline recommendations by the UAA and follow up on this topic in their September Board meeting.

Volunteer services

The Board discussed updating the volunteer services document, to include the effect of SSARS 21. Mr. Jewell will coordinate with current and former Board members, and solicit assistance from others as necessary.

Enforcement Committee subordinates

Mr. Jewell noted that Barclay Bradshaw, former Chair and Board member, is on the Enforcement Committee as a subordinate with a memorandum of agreement (MOA) expiration date of June 30, 2017. Mr. Jewell asked for the Board's consideration for renewal of Mr. Bradshaw's MOA, and to consider approving Marc Moyers, former Vice-Chair and Board member, as a subordinate.

Upon a motion by Mr. Bosher, and duly seconded, the members voted unanimously to continue Mr. Bradshaw's contracted services for the Enforcement Committee and to immediately include Mr. Moyers,



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with MOA expirations of June 30, 2018. The members voting “AYE” were Mr. Holland, Mr. Bosher, Mr. Carson, Ms. Ferguson, Ms. Saunders and Ms. Warwick.

Open/other topics

The Board discussed confidential consent agreements. The Enforcement Committee will provide recommendations at a future meeting.

The Board briefly discussed the state specific ethics course, with plans to add this topic to the June 14, 2017 Board meeting agenda.

Repeal of § 54.1-4413.2(B)

Ms. Andrea Kilmer joined the meeting by teleconference.

Ms. Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants introduced Mr. Patrick A. Cushing, Esq., Williams Mullen, Counsel for Virginia Society of Certified Public Accountants. Mr. Cushing provided information and thoughts on the Repeal of § 54.1-4413.2(B). Ms. Peters provided a handout for Board members, staff and the public.

CLOSED SESSION

Begin closed meeting

Upon a motion by Mr. Bosher, 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 consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ exemption contained in Virginia Code § 2.2-3711(A)(7). The following non-members will be in attendance to reasonably aid in the consideration of this topic: Robert Drewry, Wade Jewell, Rebekah Allen and Fred Washington.

End closed meeting

Upon a motion by Mr. Bosher, 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;



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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

Matthew P. Bosher, Esq. – 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: Seven (7)

Nays: None

Upon a motion by Ms. Saunders, and duly seconded, due to the intent of the legislation by both the Virginia Board of Accountancy and Senator Barker, the patron of SB1019, the Board agrees to continue to recognize that a person or firm holding a Virginia license shall have an additional 12-month period after the expiration of a license to renew the license, and that during the additional 12-month period the person or firm shall be considered to hold a Virginia license. This provision will be in effect for license renewal dates through June 30, 2018 or until such time that emergency legislation is enacted, whichever is sooner.

The Board discussed the motion at length.

Upon a motion by Mr. Bosher, and duly seconded, the Board members voted as follows to table the previous motion as presented.

CALL FOR VOTE:

James M. "Jim" Holland, CPA – Aye

Matthew P. Bosher, Esq. – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Aye

Andrea M. Kilmer, CPA – Aye

Stephanie S. Saunders, CPA – Nay



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Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: One (1)

Ms. Andrea Kilmer is no longer participating by teleconference.

Public comment period for an enforcement case being discussed in closed session

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

RECESS FOR LUNCH 1:20 PM

RECONVENE 1:35 PM

Mr. Joshua Laws and Ms. Andrea Kilmer joined the meeting by teleconference.

ENFORCEMENT

Begin closed meeting

Upon a motion by Mr. Bosher, 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 Mr. Carson, 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



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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 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
Andrea M. Kilmer, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Four (4)
Nays: None

Mr. Bosher, Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed session discussion.

The following action was taken as a result of the closed session:

Case #2016-0018D (Ferguson and Saunders)

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to accept the presiding officer's recommendation as presented.

CALL FOR VOTE:

James M. "Jim" Holland, CPA – Aye
Matthew P. Bosher, Esq. – Abstain
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: Three (3)



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Mr. Joshua Laws and Ms. Andrea Kilmer are no longer participating by teleconference.

Begin closed meeting

Upon a motion by Mr. Bosher, 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-member will be in attendance to reasonably aid in the consideration of this topic: 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 Mr. Bosher, 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

Matthew P. Bosher, Esq. – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Aye

Stephanie S. Saunders, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)



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Nays: None

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

Case #2016-0036U (Saunders and Ferguson)

Upon a motion by Mr. Bosher, and duly seconded, the members voted unanimously to accept the presiding officer's recommendations as presented.

CALL FOR VOTE:

James M. "Jim" Holland, CPA – Aye

Matthew P. Bosher, Esq. – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Aye

Stephanie S. Saunders, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

Mr. Jewell and Ms. Allen were not present and did not participate in the closed session discussion.

Case #2016-CPE-0014 (Jewell and Allen)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to table their decision.

CALL FOR VOTE:

James M. "Jim" Holland, CPA – Aye

Matthew P. Bosher, Esq. – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Aye

Stephanie S. Saunders, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)



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Nays: None

Ms. Anna Birkenheier joined the meeting by teleconference.

Begin closed meeting

Upon a motion by Mr. Bosher, 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 Robert Drewry.

End closed meeting

Upon a motion by Mr. Bosher, 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

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Aye

Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Four (4)

Nays: None



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Ms. Anna Birkenheier is no longer participating by teleconference.

Mr. Holland, Ms. Kilmer, Ms. Warwick, Mr. Jewell and Ms. Allen were not present and did not participate in the closed session discussion.

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

Case# 2016-0018E (Bradshaw and Allen)

Upon a motion by Mr. Bosher, and duly seconded, the members voted unanimously to reject the proposed consent order and the respondent's application for reinstatement because his conduct, which involved acts contrary to the public interest and violations of the public trust, demonstrates he is unfit to be licensed as a CPA in Virginia.

CALL FOR VOTE:

Matthew P. Bosher, Esq. – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Aye

Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Four (4)

Nays: None

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- CPE guidelines for publications
- Virginia-specific ethics course
- Use of confidential consent agreements
- Single renewal date all Virginia licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- North Carolina Dental Case

Sign Conflict of Interest forms



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Sign Travel Expense vouchers

Future meeting date

- 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 3:05 p.m. The members voting **AYE** were Mr. Bosher, Mr. Carson, Ms. Ferguson and Ms. Saunders.

APPROVED:

James M. "Jim" Holland, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director