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Newsletter of the Virginia Board of Accountancy

www.boa.virginia.gov

Summer 2016



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Remembering Steve Holton, CPA

VBOA Board member FY 2004-11

The Virginia Board of Accountancy and the CPA profession lost a valuable member of the community this past January. Steve Holton, CPA, passed away after a brief battle with brain cancer on Jan. 22, 2016.

Holton served 42 years in public accounting, concentrating on the problems of small businesses. He was a partner at Martin, Dolan & Holton, Ltd, in Richmond, for the last 34 years of his career. He initially chose the field of accounting because “it was the hardest major.” Holton authored and coauthored many books for accounting practitioners working with small to mid-sized nonpublic entities, most distributed by the Practitioners Publishing Company.

Holton served two terms and as chair of the VBOA during a time of significant change to the CPA profession. Changes included, but not limited to, the reduction of the education requirement for sitting for the CPA exam to 120 hours, ensuring practice mobility, formation of the VBOA’s Peer Review Oversight Committee (PROC) and fee schedule changes.

Most notably Holton, along with Larry Samuel, CPA, took the lead in the development of revisions to the VBOA’s statutes in 2007 and regulations in 2010, changing from a rules-based approach to principles-based.

VBOA Executive Director Wade Jewell relied heavily on their insight when seeking answers to statutory and regulatory issues.

“I would often refer to Holton and Samuel as the ‘fathers’ of our statutes and regulations,” said Jewell. “Now, because of evolving changes, it’s time to change my thinking. They will now be referred to as the ‘grandfathers’ of our modern day statutes and regulations,” he joked.

“Steve was very dedicated and enthusiastic about the VBOA and the CPA profession in general,” previous Board member Whit Broome, CPA, Ph.D., said. Broome served with Holton on the board from FY 2004–11.

“He was a wonderful, accomplished man and I truly enjoyed serving and working with him. It gave me an opportunity to observe personally his dedication, commitment and high standards,” said Broome.



Steve Holton, CPA

“Other members of the Board who served with him can confirm that he could telephone at any time to discuss an issue that needed the Board’s attention and those calls could go on for hours,” added Broome. “With his leadership and insight, these calls invariably produced significant improvements in the CPA statute, related regulations and policies of the Board.”

One of Jewell’s fondest memories of Holton involved one of his phone calls.

“Steve and I worked very closely together in getting proposed regulation changes through the regulatory process in 2010,” Jewell said. “It is a long process and for us was very stressful. We had some minor opposition to some of the changes, not knowing if they would go through or not and on the final day of the process, there was a midnight deadline that would dictate whether the regulations passed the final test.”

“Steve called me at midnight exactly so that we could share in what resulted in a successful process and regulation changes,” he added. “We celebrated together, wondering what others would think about our midnight phone call and laughed about that moment for years to come!”

Holton’s outside involvement in the profession didn’t end with the VBOA. He chaired the AICPA Accounting and Review Services Committee, the Virginia State Society Accounting and Auditing Procedures Committee, was a member of the AICPA Auditing Standards Board, FASB



Remembering Steve Holton, CPA

- continued from page 1

Emerging Issues Task Force and the Virginia Society of CPAs.

“Anything that he worked on received 150% of his effort and he was one of the smartest people I’ve ever met,” said Emily Walker, CAE, VSCPA Vice President of Advocacy.

Holton was honored by the AICPA with its Sustained Contribution Award. He was also named a “Super CPA” by Virginia Business Magazine in 2009 and 2013, a distinction voted upon by his peers.

“Steve always adhered to the highest professional standards and always acted with integrity and that focus came through in spades to his work with the VBOA,” Broome said. “He was a good friend and colleague, and I will miss him and his contributions acutely.”

“In addition to being an outstanding Board member, I believed Steve to be a dear friend that I could always

talk to and share with. He was always interested in my family, and called me every year on my birthday – no matter how busy he may have been! I miss him greatly,” Jewell added.

Holton served on the VBOA and the other organizations, always keeping the interests of CPAs in mind. He touched many lives during his time working in the accounting profession. The memories of him and the impact he left on the organizations and the industry will live on through stories from those who worked with him, knew him and respected him.

“Steve worked harder than anyone I’ve ever met. By harder I mean the hours he dedicated to the profession and his work. He was a perfectionist, and the quality of his work showed it.”

- Wade Jewell, VBOA Executive Director

Fond memories of Steve Holton

In 1984, I started my CPA practice in Virginia after selling the radio station that brought me to the Commonwealth. I was ready to accept the challenge of being an entrepreneur and things went well during the early years as I built a staff of 15 employees and had sub-contract work with the big 8 firms.

One of my employees would have several technical questions on issues that I could not answer. He would say, “That’s okay I will try and get Mr. Steve Holton, CPA, to help me.” After several days he would come back and say, “Mr. Holton said we should treat the issue this way.”

I had never met Steve but his name was always in the forefront when it came time for technical issues.

I first met Steve when I was appointed to the VBOA in 2005. Dr. Whit Broome, Larry Samuel, Dian Calderone, Jane Little, Regina Brayboy and Steve were members when I joined the Board. I attended my first meeting on July 26, 2005, and it started a long relationship with my colleagues. I found out that Steve had a 25-person firm and was in charge of the attest functions. At the time, I didn’t know that he authored many of the PPC CPE

courses that were used all over the world.

Moving forward, Steve led discussions on the Council for Higher Education Accreditation (CHEA), the 120-hour requirement deadline, fee adjustment proposal, the VBOA special fund account policy and the confidential consent agreement statute. These were just some of the projects he tackled in 2007.

During his tenure on the Board, Steve was the architect for rewriting the regulations and statutes. It was a monumental task that no one could have done better. Steve and Whit left the Board in June 2011, having served their maximum term.

Steve was the most caring individual and when I had back surgery in 2008, I looked up and there he was. He sat and we talked about everything from golf to politics. I will truly miss a colleague and lifetime friend although I only knew him when we worked on our beloved VBOA together.

Miss you, buddy!

*- from Tyrone E. Dickerson, CPA
Board member FY 2006-13*



Fond memories of Steve Holton

I got to know Steve when I joined the VBOA in 2004. We quickly became friends and began tackling major challenges facing the Board. Steve and I took the lead on a complete rewrite of the state accountancy law and regulations, which took a number of years to complete.

We were a great team. Steve with his deliberateness and attention to every detail and me with a passion for wanting to keep it simple and making it easy to understand.

We enjoyed many long after-hours phone calls discussing VBOA matters, complex accounting issues or our families. They always ended with us reminding the other not to work so hard and to go home.

One particular memory of Steve occurred while he, Wade Jewell and I were preparing the VBOA annual ethics course materials. It was early in 2011 and the course was featuring the recently rewritten regulations. Steve

volunteered to write the executive summary, or overview.

After several missed deadlines, he finally sent us his “executive summary,” which was 27 pages long. Only Steve could have produced a summary that was three times longer than the original nine page document.

But that was Steve.

He believed in doing a thorough, well-reasoned, detailed job and doing it right. He was such a perfectionist. He was never rushed and never brief.

Steve was a deep thinker and an excellent CPA. But his best qualities were his caring for others, his wonderful sense of humor and his laugh. I miss those most of all.

*- from Larry Samuel, CPA
Board member FY 2005-12*

Virginia remains active on national level with recent nominations

The Virginia Board of Accountancy not only supports the accounting profession in the Commonwealth but on the national level as well. Current and previous Board members, as well as the VBOA Executive Director, serve on committees and roles with the National Association of State Boards of Accountancy, or NASBA.

The following announcements and nominations have been made for the 2016-17 year. The positions will be voted on during the NASBA Annual Meeting held Oct. 30 through Nov. 2, 2016, with the terms beginning at the conclusion of the event.

Wade Jewell, VBOA Executive Director NASBA Executive Directors Committee Chair

Jewell has been nominated by the NASBA Executive Directors Committee to serve as chair of the committee for a one-year term. The chair and committee provide guidance to NASBA on behalf of the executive directors from all the state boards of accountancy. The committee also coordinates and plans the annual NASBA Executive Director and Board Staff conference. As chair, Jewell will also serve on the NASBA Board of Directors.

Stephanie Saunders, VBOA Board member NASBA Middle Atlantic Regional Director

Saunders has been nominated to serve a second one-year term as NASBA's Middle Atlantic Regional Director. She is the current regional director and supports the state boards' needs within her region.

Marc Moyers, Previous VBOA Board member NASBA Nominating Committee - Middle Atlantic Regional representative

Moyers has been nominated as the Middle Atlantic Regional representative to the NASBA Nominating Committee. The committee nominates officers and directors, in accordance with NASBA's bylaws.

NASBA Committees

The following current and previous Board members are also members of the following NASBA committees:

- Ethics Committee – Marc Moyers
- Diversity Committee – Tyrone E. Dickerson, Chair
- Diversity Committee – Andrea M. Kilmer
- CPE Committee – James “Jim” M. Holland
- Standard-Setting Advisory Committee – Matthew P. Boshier
- Communications Committee – Stephanie S. Saunders

From the Chair

Our Board

James M. “Jim” Holland, CPA

Chair
Chesterfield, Va.

Matthew P. Boshier

Vice Chair
Richmond, Va.

D. Brian Carson, CPA, CGMA

Virginia Beach, Va.

**Susan Quaintance Ferguson,
CPA**

Harrisonburg, Va.

**Andrea M. Kilmer, CPA,
CFF, CGMA**

Virginia Beach, Va.

Stephanie S. Saunders, CPA

Virginia Beach, Va.

Laurie A. Warwick, CPA

Ashburn, Va.

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Greetings from the Virginia Board of Accountancy! I hope this newsletter finds you well.

A special thank you to Stephanie Saunders for doing an outstanding job as Chair this past year. Gov. Terry McAuliffe has reappointed her to another four-year term.

This new fiscal year the Governor has also appointed Ms. Laurie Warwick to the Board. We welcome Laurie and look forward to working with her. With Laurie's appointment, we say farewell and thank you to Marc Moyers, who served as Vice Chair last year. We extend appreciation and thanks to Marc for his outstanding service to the Board and the profession. Mark served for the last four years with professionalism and dedication and we wish him well in retirement.

The mission of the Virginia Board of Accountancy is “to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of certified public accountants (CPAs) and CPA firms.” We will continue to foster a regulatory environment, which achieves our mission, makes it easier for CPAs to do business in the Commonwealth, and makes the law and related rules relevant and more understandable.

At our June 16 meeting, we held a planning session to discuss a number of topics, which included potential changes to our statutes, regulations and Board policies. Some other topics included:

- Proposed statute changes for the 2017 General Assembly Session
- A single (same) renewal date for all licensees
- Practice continuation agreements/succession planning
- Discussion regarding experience requirements for CPA firms
- Discussion regarding elimination of the one-year grace period to renew a license

To the 27,000 licensed CPAs, thank you for protecting the public and making a difference in your community. As a CPA, I place tremendous value in the CPA credential and continued learning experiences. As you work on your CPE's this year, remember you, your clients and your employer will benefit from the educational opportunities available.

The VBOA has held a number of meetings at various universities. On November 10, we will meet at Christopher Newport University. Please feel free to join us as details will be on our website. Two major initiatives I will focus on this year include educational outreach and diversity.

In closing, I am honored to serve as Chair and hope to exceed the trust and expectations of the profession and public. Both the Board and our excellent staff are committed to serving each of you and welcome your ideas and input.



**James M. “Jim” Holland
VBOA Chair**

Wade In: from VBOA's director

Our staff

Wade A. Jewell

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CPE...again? It was just a year and a half ago in winter 2015 that I focused my article on CPE deficiencies. While progress appears to have been made, we still have work to do in this area!

For fiscal year ending June 30, 2015, we reported a 25% deficiency rate as a result of our CPE audits. As of May 31, 2016, (11 months of FY16) our deficiency rate has dropped to 14%. I believe we are seeing improved results for three reasons: 1) the introduction of the Active – CPE Exempt Status, 2) increased communications and 3) the focus of the CPE deficiency issue in the Virginia-Specific Ethics Course (with the same content now required for all licensees). But we can do better!

Active – CPE Exempt status

Virginia licensees with this status designation are currently and actively licensed as CPAs and may use the CPA title. However, the individual is not currently providing services to the public (providing services that are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3) or to an employer (providing to an entity services that require the substantial use of accounting, financial, tax or other skills that are relevant, **as determined by the Board**) and therefore is not required to meet the Board's CPE requirements.

On an annual basis, our licensees must certify compliance with CPE requirements as a component of the license renewal process. **Certifying “yes” to CPE compliance during the renewal process, and then found to be CPE deficient, could result in an ethics violation in addition to not meeting CPE requirements.**

As stated in the winter 2015 newsletter, licensees found to be CPE deficient face disciplinary action. Such disciplinary actions may include a reprimand, written essay, requirement to make up CPE deficiencies, monetary penalties, and license suspension for at least one year, all depending upon the number and/or type of CPE deficiency. Any disciplinary action taken against a Virginia CPA results in a permanent “mark” on the licensees’ record. I would strongly encourage all Virginia CPA’s to re-acclimate themselves to [Virginia’s CPE requirements](#) by visiting our website or calling the VBOA office at (804) 367-8505 for further information.

It remains one of the Board’s goals to see all Virginia CPAs become CPE compliant! Until I “Wade-In” next time, enjoy the summer and fall, and stay compliant with CPE!



Wade A. Jewell
VBOA Executive Director

Please note: You must be **pre-approved** for the Active – CPE Exempt status to be exempt from CPE requirements. We are seeing many licensees attempt to apply for this status **only after** they have been selected for a CPE audit. If you have not been approved for the Active – CPE Exempt status at the time of CPE audit selection and notification, **you are responsible** for meeting the VBOA's CPE requirements for the audit time period.

From the outgoing Chair

It has been my pleasure to serve as the Chair for the VBOA this past year. We have a very active and effective Board as well as exceptional staff that make the job easy. A special thank you to Vice Chair Marc Moyers, whose insight and input was invaluable. While Marc was not reappointed by the Governor to serve another four years, we have requested that he stay involved with one of the committees he has chaired or participated in the past: the Peer Review Oversight Committee, Ethics Committee or Enforcement Committee. Congratulations to Marc on being elected as the Middle Atlantic Regional representative to the NASBA Nominating Committee.

We welcome a new Board member, Laurie Warwick, CPA, the executive director for assurance with Ernst & Young in the Greater Washington offices. Her leadership and technical experience will be instrumental in furthering the mission of the VBOA.

In reviewing this past year, I thought I would mention a few highlights:

- We held six board meetings in which we had presentations as well as discussions on a number of the following issues:
 - Responded to the UAA committee that we were not in favor of the proposed Retired status.
 - Visited James Madison University for the annual board meeting on campus. More than 300 students attended and watched a presentation on the new CPA exam starting April 1, 2017.
 - Discussed the new CPE standards that include nano-learning and blended learning delivery methods. Virginia already allows this in our statutes and regulations.
 - Started the process and issued an RFP for a new database system that should provide our exam candidates and licensees with better service.
 - A representative from the Department of Labor presented and responded to questions regarding the role of the DOL, the audit process for Employee Benefit Plans and cooperation

between DOL and state boards.

- Discussed the new proposed AICPA Peer Review Administration changes.
- Discussed potential 2017 legislation to our statutes and regulations.
- Started discussions on practice continuation issues for our baby boomer licensees in small public practices.
- Reviewed experience requirements for firms who provide attest services.
- Our executive director and the VBOA enforcement director presented with the VSCPA in three Town Hall meetings discussing audit quality in the employee benefit area.
- Wade and I participated in the Virtual Professional Update with the VSCPA and spoke on Virginia statute and policy changes, as well as the Active – CPE Exempt status.
- Wade and I presented “Leadership Training – Engaging Your Board” at the annual NASBA Executive Directors Conference.



Stephanie S. Saunders, CPA
VBOA outgoing Chair 2015-16

As you can tell, it was another busy year for the VBOA. While we had a record number of enforcement cases, the CPE audit deficiency was down to 14% and we continue to review ways to reduce the number of cases and deficiencies.

As always, please contact the VBOA and our great staff if you have any questions or comments – we are here to serve you!

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Changes announced to the 2017 CPA exam

After more than two years of in-depth research and an extensive and robust [practice analysis](#) was conducted and reviewed, the AICPA has announced the changes to the Uniform CPA Examination for 2017.

On April 1, 2017, the next version of the CPA exam will launch. The four-section (Auditing and Attestation, Business Environment and Concepts, Financial Accounting and Reporting, and Regulation), 16-hour assessment places a greater emphasis on testing a candidate's higher-order cognitive skills.

The next exam will continue to provide reasonable assurance to boards of accountancy that individuals who pass possess the minimum level of technical knowledge and skills necessary to protect the public interest.

The content of the next version of the CPA exam will continue to be closely aligned with the realities of professional practice for newly licensed CPAs.

The changes to the next version of the CPA exam include:

- Increased assessment of higher-order cognitive skills that include, but are not limited to, critical thinking, problem solving and analytical ability.
- Additional task-based simulations will be included in all sections of the exam, which are an effective way to assess higher order skills.
- New [exam blueprints](#) containing approximately 600 representative tasks across all four exam sections will replace the Content Specification Outline (CSO) and Skill Specification Outline (SSO). A blueprint for each exam section will provide greater clarity in the presentation of content, skills and related tasks.
- Total CPA exam testing time will increase from 14 to 16 hours – four sections of four hours each.

Consistent with exam launches in the past, there will be a delay in the release of scores following the close of the initial testing window (second quarter of 2017). Scores will be released once, approximately **10 weeks** after the close of the testing window. For the third and fourth quarters of 2017, scores for

The Next Version of the Uniform CPA Examination

Coming in April 2017



all candidates will be released once, approximately **10 days** after the close of each testing window. The delay in score release for the Q2, Q3 and Q4 testing windows provides sufficient time to statistically validate candidate performance.

In the first quarter of 2018, it is expected that the existing 20-day rolling score release timeline will resume.

The continuous improvement of the CPA exam is necessary to ensure it continues to align with professional practice, reflects the needs of today's profession and the work of newly licensed CPAs. The exam also supports the regulatory responsibility of the boards of accountancy to license CPAs.

Learn more about the details of the CPA exam changes on the [AICPA's website](#), including a helpful [frequently asked questions](#).

Please contact the Virginia Board of Accountancy at boa@boa.virginia.gov with any questions.

Score release dates in 2017

Test window	AICPA /Board of Examiners review exam performance data/ standard setting	Approximate release date of candidate scores
Q2 2017: April 1 - May 31, 2017	10 weeks	Aug. 14
Q3 2017: July 1 - Sept. 10, 2017	10 days	Sept. 22
Q4 2017: Oct. 1 - Dec. 10, 2017	10 days	Dec. 22



Continuing professional education

Do's and don'ts to stay compliant

Continuing professional education is a critical tool for CPAs to remain committed to offering the highest level of competence when serving clients and the public.

The Virginia Board of Accountancy takes CPE compliance very seriously among licensees. Below is a list of do's and don'ts for CPAs to remain CPE compliant each year.

Do take responsibility and stay up-to-date annually with your CPE compliance.

It is the individual CPA's responsibility to stay up-to-date on his or her own CPE hours by maintaining 120 hours over a rolling three-year period, with a minimum of 20 hours annually. CPAs are required to complete CPE to maintain skills and knowledge to meet their ethical and technical obligations to their clients and to the public.

Do take CPE each year if you are an active CPA in Virginia.

Requirements for CPE are found in Board Regulation [18VAC5-22-90](#). The deadline for obtaining CPE for the previous year is January 31.

Don't wait to apply for the Active – CPE Exempt status after you are selected for a CPE audit.

The Active – CPE Exempt status must be **pre-approved** before you stop taking CPE. If you have not been approved for the Active – CPE Exempt status at the time of CPE audit selection and notification, **you are responsible** for meeting the VBOA's CPE requirements for the audit time period. In order to qualify for the Active – CPE Exempt status, your current job duties must not require a substantial use of accounting, financial, tax or other skills that are relevant, **as determined by the VBOA**.

You can apply for this status on the VBOA website at www.boa.virginia.gov/CPALicense/ActiveCPEExempt.shtml.

Do take the Virginia-Specific Ethics Course every year.

Licensees must take the Virginia-Specific Ethics Course from an approved sponsor annually. All instructors of the course must hold an active CPA license in good standing and be approved by the VBOA.

Don't take the Virginia-Specific Ethics Course from an unapproved sponsor.

A listing of approved sponsors and instructors can be found on the VBOA's website at www.boa.virginia.gov/CPALicense/Sponsors.shtml. Licensees will not be granted CPE credit for completing an ethics course from a non-approved sponsor or instructor.

Do enter CPE correctly in the appropriate year.

CPE is tracked based upon completion during a calendar year. CPE earned in 2016 must be reported as 2016 credits and cannot be counted as credits earned during 2015. However, licensees are given a grace period until January 31 to submit CPE for the previous year. The VBOA encourages licensees to enter CPE hours into the [CPE Tracker](#) continuously, not just when selected for a CPE audit.

Don't forget CPE related to attest or compilation services, if necessary.

Licensees who release or authorize release of attest or compilation reports must complete eight hours annually related to attest or compilation services. These requirements are found in Board Regulation [18VAC5-22-140](#).

Do understand the requirements of CPE reciprocity/home state exemption.

If a CPA holds an active license in a substantially equivalent state and their principal place of business is located in that state, he or she may be eligible for CPE reciprocity/home state exemption. CPA licensees must designate this exemption in CPE tracker to be eligible. If a CPA meets the CPE requirements in their home state, the VBOA will consider this as CPE compliant in Virginia.

Do ask the VBOA if you have questions on CPE requirements or maintaining compliance.

Email us at boa@boa.virginia.gov or call the office at (804) 367-8505 Monday through Friday, 8:15 a.m. to 5 p.m.



CPA exam 2015 performance statistics

Below are highlights that were posted in the 2015 Candidate Performance on the Uniform CPA Examination - Jurisdiction Edition, published by NASBA. These year-end numbers, provided by NASBA, are collected through voluntary participation of candidates and their individual boards of accountancy, in cooperation with the AICPA. Virginia is compared to the overall candidate performances from the 55 boards of accountancy jurisdictions.

Virginia

Overall performance

- Candidates: 3,327
- New candidates: 2,475
- Total sections: 8,566

Exam type

	Sections	Score	Pass
First-time:	4,967	74.4	58.8%
Re-exam:	3,599	71.6	43.1%

Average age

28.9

Demographics

Male: 802



Female: 1,018

Performance by section

	AUD	BEC	FAR	REG
Candidates	1,868	1,657	1,722	1,676
Sections	2,355	855	1,021	2,131
Pass	49.6%	61.3%	49%	50%
Score	74.1	75.1	71.7	72.1

All jurisdictions

Overall performance

- Candidates: 93,693
- New candidates: 70,209
- Total sections: 240,886

Exam type

	Sections	Score	Pass
First-time:	140,101	72.6	55%
Re-exam:	100,785	70.9	42.5%

Average age

28.9

Demographics

Male: 44,250



Female: 47,693

Performance by section

	AUD	BEC	FAR	REG
Candidates	51,777	46,468	50,087	47,295
Sections	65,379	55,036	61,173	59,298
Pass	47.3%	56.5%	46.8%	49.4%
Score	72.7	73.8	70.0	71.3

VBOA news

VBOA continues outreach to college students

The Virginia Board of Accountancy continued their college outreach in the winter of 2016 with a visit to Christopher Newport University, in Newport News. The event held on Feb. 3, informed CNU accounting majors on how the VBOA can help them, the requirements needed to sit for the CPA exam and eligibility on becoming a licensed CPA in Virginia.



CNU accounting instructor Gabriele Lingenfelter welcomes students to the VBOA event.

Visits to Virginia academic institutions are a way to establish strong relationships between the



Mary Charity, VBOA Director of Operations and Nicholas Tazza, VBOA Assistant Manager Licensing and Examination speaks to CNU students.

VBOA and the university accounting programs. Getting in front of students face-to-face allows them to become more comfortable with the VBOA as they pursue their careers after graduation.

CNU students were engaged in the discussions and asked many questions about the CPA exam testing process and changes coming to the exam in 2017.

The VBOA will get a chance to visit CNU students and faculty again this coming November. The annual board meeting held on a Virginia college campus is scheduled for Thursday, Nov. 10, 2016, in the Freeman Center on CNU's campus.

The VBOA continues to visit colleges throughout Virginia and visit with the next generation of CPAs. Students work with the VBOA before they sit for the CPA exam and then again when they become a licensed CPA in Virginia.



CNU students and faculty members listen to the VBOA's presentation.

VBOA news

Virginia Governor names VBOA board appointments



Laurie A. Warwick, CPA

Gov. Terry McAuliffe announced new appointments to his administration on Friday, June 24, including reappointing two current Board members to a second term and naming one new member to the Virginia Board of Accountancy.

Both Stephanie S. Saunders, CPA, of Virginia Beach, and Matthew P. Boshier, of Richmond, have been reappointed for a second term. Saunders served as the 2015-16 Board Chair.

Laurie A. Warwick, CPA, of Ashburn, is the newest member to join the seven member Board.

Warwick has been with Ernst & Young for more than 20 years. Currently she is the Assurance Executive Director and executes multiple external audit engagements within the Greater Washington D.C. offices.

Warwick began her four-year term on July 1, 2016, and succeeded previous Board member and 2015-16 Board Vice Chair Marc B. Moyers, CPA.

Succession planning

Ask yourself the following questions today about your CPA firm or your clients: What will my spouse or immediate heirs do with my practice if I die or become disabled?

- Would my spouse or children be able to take over the management of my practice?
- What will become of all my hard work and effort with my practice and clients?

In the event of death or temporary or permanent disability, a practice continuation agreement helps protect your practice, the business interests of your clients, and the financial interests of you and your family. It can also be used as a vehicle for retirement.

A practice continuation agreement is a contract that provides for the assumption of your practice by another CPA firm or individual under a predetermined plan for payment based on its value. In the event of death or permanent disability, your practice will be transferred to another firm or individual. In the event of a short-term disability, the same CPA firm or individual at a predetermined fee structure will temporarily service your clients.

Preparing a practice continuation agreement requires time and effort, but it is well worth the investment. Because of the significant impact it can have on his or her estate, a practice continuation agreement should be a part of every sole practitioner's personal financial plan. Ideally, a practice continuation agreement should be drawn up when you establish your practice. An unexpected event can occur at any time, and you may not have an opportunity to put your affairs in order.

Learn more about succession planning from the online [AICPA resource center](#).

- from the AICPA website



VBOA news

Exam candidate earns Elijah Watt Sells Award 2015

One Virginia exam candidate has earned the distinguished 2015 Elijah Watt Sells Award for outstanding performance on the CPA exam.

The annual award is given to CPA candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, passed all four sections of the exam on the first attempt and completed testing in 2015.

A total of 93,742 candidates sat for the CPA exam in 2015, with 75 meeting the criteria to receive the Elijah Watt Sells Award.

The following Virginia exam candidate made the exceptional list:

- **Eric Christopher Albee:** A graduate of Virginia Tech with a Bachelor of Science degree in Business and a master's degree in Accounting and Information Systems. He is employed with Dixon Hughes Goodman, LLP in Richmond, Va.

The Elijah Watt Sells Award program was established by the AICPA in 1923 and named after Elijah Sells, one of the country's first CPA. Sells played a key role helping to advance professional education in the accounting profession and was active in the establishment of the AICPA.

FASB issues new guidance on lease accounting

In February 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate, airplanes and manufacturing equipment.

The updated guidance responds to requests from investors and other financial statement users for a more faithful representation of an organization's leasing activities. It requires organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases.

To help familiarize stakeholders with the standard, a FASB in Focus was developed, an overview that answers frequently asked questions.

Established in 1973, the FASB is the independent, private sector, not-for-profit organization that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles.

Did you know?

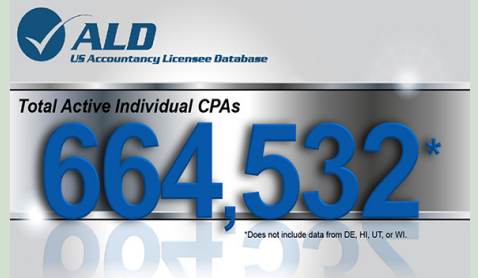
All VBOA board meetings are open to the public. The Board Chair will generally ask all public members to introduce themselves at the beginning of each meeting and will provide each public member a five minute comment period, if desired.

VBOA news

Number of licensed CPAs grows nationally

How many CPAs are there? According to the National Association of State Boards of Accountancy, as of April 22, 2016, there are 664,532.

This population statistic is derived from NASBA's Accountancy Licensee Database (ALD) and represents the total number of individual, U.S. licensed CPAs that are considered to be in an active status by their respective state boards that are listed in this database. Licensees who are licensed in multiple states are only counted once.



The national database of CPAs is made up of official accountancy board data that is currently aggregated from 51 of the 55 CPA licensing jurisdictions. The ALD has a public-facing version, CPAverify.org, which is a free service that verifies if a person or firm is licensed to practice public accounting and if there is any enforcement history on the record. License numbers, issue dates, license status, a flag of existing enforcement history, and other details are included for the records.

"NASBA has one of the most accelerated data-sharing programs among state-regulated professions because of the amount of data being contributed by the participating boards," said Maria Caldwell, Chief Legal Officer and Director of Compliance Services for NASBA. "Without the ongoing efforts of the state boards and their willingness to collaborate and preserve the CPA designation, there would not be the unprecedented degree of data that is currently shared between state boards."

This new CPA population statistic will continue to be updated quarterly and made available on NASBA's website.



In 1955, P. K. Seidman's committee recommended the approval of six exam-related proposals.



1. The CPA Examination use shorter questions.



2. The examination be extended to three days without adding another subject.



3. The examination be given in two stages, with the first stage given during a student's junior year in college.



4. A committee be appointed to recommend uniform conditioning requirements.



5. Every CPA be contacted and urged to add to the stockpile of CPA Examination questions.



6. Commercial law be eliminated from the exam and tax be added as a separate section.

- follow [@NASBA](https://twitter.com/NASBA) for more #tbt (throw back Thursday) facts



Virginia CPA active for more than 66 years

Frank E. Sheffer, CPA never saw the need to retire because being a CPA has been his life and all he has ever done.

The 92-year-old, from Suffolk, is Virginia's oldest and longest serving active CPA. Currently he holds an Active – CPE Exempt status.

As a teenager, Sheffer was introduced to the profession when he went to work for an accountant. He received his own CPA license in Virginia on Nov. 18, 1949.

"For years, he always joked that he was the oldest CPA and wanted to know who was ahead of him," colleague and friend Arthur Robb said.

Robb has worked with Sheffer for more than 40 years. He

started working for him and then in 1983 the two became partners with Frank Edward Sheffer Co., Inc.

"I've learned a lot from Frank and done a lot of things in my career that I wouldn't have been able to do if I was with a larger firm," Robb said. The company evolved into Robb, Scott, Bradshaw & Rawls, P.C. in 2014 as a continuation of Sheffer's firm.

Sheffer always worked in public accounting in Suffolk, making him very well known and respected in the Tidewater area.



Frank E. Sheffer, CPA

50+ years of service

Based on the Virginia Board of Accountancy records, as of July 1, 2016, the following Virginia CPAs have held an active license for 50 or more years in 2016. Three have been serving the accounting profession for more than 60 years.

60+ year licensees

- Samuel A. Derieux
- Robert S. Landsman
- Frank E. Sheffer

50+ year licensees

- | | | |
|--------------------------|-------------------------|--------------------------|
| • Marion S. Allen II | • Ellis M. Dunkum | • Edward N. Renner |
| • Ulysses G. Ballard Jr. | • Janet M. Eckert | • Sally L. Roy |
| • Maurice E. Barnhart | • Kenneth L. Elmore | • John W. Sanderson |
| • Nelson L. Castner | • Caspa L. Harris | • James Sells |
| • James D. Cavanaugh | • James D. Hess | • Charles E. Simpson Jr. |
| • Carol T. Chappell | • Charles S. Joyner | • Henry G. Simpson |
| • Joseph D. Comtois | • Christopher H. Loesch | • Walter A. Stosch |
| • Robert E. Cox | • Howard R. Masters Jr. | • Edward O. Vance |
| • Roy L. Cress | • Robert L. Neeley | • Malcolm L. Wells |
| • Bobby R. Curtis | • Frederick H. Norvelle | • Maurice A. White |
| • Kenneth P. Dalton | • Thomas M. Perry | • Manrid L. Winder |
| • Ronald E. Daugherty | • Percy E. Pickral | • Norman J. Zwahlen |
| • Darrell F. Dean Jr. | • Ezra D. Quesenberry | |

*If you received your Virginia CPA license before July 1, 1966, and your name is not on this list, please contact kelli.anderson@boa.virginia.gov.

Board Disciplinary Actions

Policy notice

It is the policy of the VBOA to publish the information of licensees against whom the Board has taken a disciplinary action resulting in suspensions and revocations and for other professional violations. The VBOA publishes information of licensees found to be deficient in CPE credit hours in the event of a previous CPE deficiency or previous professional violation or a disciplinary action resulting in suspensions or revocations. The Board also publishes information of exam applicants and unlicensed individuals and firms against whom the Board has taken a disciplinary action. This policy is subject to change without notice.

Monetary penalties are deposited into the Commonwealth's Literary Fund and are not available for use by the Virginia Board of Accountancy.

Professional violations

Name	License number	City, State	Violation	Date	Authority
John W. Adams III	17633	Rixeyville, Va.	Standards of conduct and practice	1/28/16	§ 54.1-4413.3 (2) and (3) ; AICPA ET § 201.01; and IRS Circular 230 § 10.22

Final Order

John W. Adams III violated the standards of conduct and practice by failing to provide due professional care in the performance of professional services to his client. He did not properly and effectively communicate with his client, didn't recognize the IRA and the CSDN on the client's K-1 forms, and there was inconsistency in the preparation and submission of the client's tax returns. He also violated the General Standards of the AICPA by failing to undertake only those professional services that he or his firm could reasonably expect to be completed with professional competence.

Based on the violations, the VBOA reprimanded Adams for failing to provide due professional care in the performance of professional services regarding his lack of communication to his client and for failing to follow IRS Circular 230 § 10.22 regarding diligence as to accuracy. Adams shall submit to the VBOA for approval a Practice Continuation Agreement (PCA) with a licensed CPA in good standing with the VBOA. The original signed copy of the PCA must be received by the VBOA no later than June 1, 2016.

All VBOA Board Disciplinary Actions from 2011 are listed by name in alphabetical order on [our website](#). Contact the VBOA for disciplinary actions prior to 2011, or if additional information or documentation is needed.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Andrew P. Broadhead	33899	Hanover, Md.	CPE deficiency; Failure to respond	5/6/16	18VAC5-22-90 and 18VAC5-22-170 (A) (3)

Final Order

Andrew P. Broadhead violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014, and failed to meet the annual 20 hours CPE minimum requirement. He also failed to respond to CPE audit notifications.

Based on the violations, Broadhead's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. He shall be required to come before the Board as a condition of reinstatement. The Board ordered him to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) pay a monetary penalty of \$100 for failing to respond to the Board's notices regarding the CPE audit; (3) remove the CPA title from all signage and any and all listings that implies he is currently licensed; (4) not use the CPA title nor provide any services restricted to CPAs during the time his license is suspended; (5) report the Board's Order as an adverse administrative action to any present or future regulatory authority before which he practices; and (6) submit verification of CPE compliance for the reporting period following his reinstatement. Mr. Broadhead shall comply with all terms and conditions of this order prior to the consideration of any and all applications for CPA licensure in Virginia.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Yvonne M. Brubacher	Exam candidate	Waynesboro, Va.	Use of the CPA title	6/16/16	§ 54.1-4414

Consent Order

Yvonne M. Brubacher violated the Code of Virginia when she did not hold a Virginia license and twice used the CPA title on her LinkedIn profile and on her resume.

Based on the violations, Brubacher agreed to (1) pay a monetary penalty of \$1,000 for using the CPA title when she did not hold a Virginia license; (2) remove the CPA title from all signage and any and all listings that implies she is currently licensed; (3) write a 500 word essay on the topic of "integrity and its impact on public trust in the CPA profession" that must be submitted to the Board; and (4) pay the reasonable administrative fee of \$500 for the investigation of this matter. Approval of Brubacher's application for an individual CPA license is conditioned on her coming before the Board to read her essay and on the Board's approval of her oral presentation.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Diana Lynn Cassell	24202	Dumfries, Va.	CPE deficiency	2/12/16	18VAC5-22-90

Consent Order

Diana Lynn Cassell violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. She failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014.

Based on the violations, Cassell's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, she shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Cassell understands that during the time her license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. She also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 114 CPE; (2) remove the CPA title from all signage and any and all listings that implies she is currently licensed; and (3) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year. Cassell understands that failure to meet any terms and conditions of this order will result in the automatic suspension of her CPA license until such time that the terms and conditions have been met.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Virgil A. Chan	Never licensed	Centreville, Va.	Unlicensed activity; Use of the CPA title	4/8/16	§ 54.1-4414 ; § 54.1-111 and § 54.1-4409.1

Consent Order

Virgil A. Chan violated the Code of Virginia by using language and offering services restricted to licensed CPAs and CPA firms on his website.

Based on the violations, Chan shall not practice as a CPA in the Commonwealth until he has applied for and been granted a CPA individual or firm license by the Board. Chan shall immediately remove all references to the CPA title and language that is restricted to CPAs and CPA firms on his website, on his LinkedIn profile page and all signage. Also, Chan shall submit to the Board a 1,000-word essay encompassing the requirements to use the CPA title in Virginia within 90 days of the entry date of this Order.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Candice Chung	31072	San Bruno, Calif.	CPE deficiency	1/4/16	18VAC5-22-90

Consent Order

Candice Chung violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. She failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2011, 2012, and 2013.

Based on the violations, Chung's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, she shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Chung understands that during the time her license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. She also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) remove the CPA title from all signage and any and all listings that implies she is currently licensed; and (3) submit verification of CPE compliance for the three calendar years of 2015, 2016, and 2017, including the Virginia-Specific Ethics Course for each year. Chung understands that failure to meet any terms and conditions of this order will result in the automatic suspension of her CPA license until such time that the terms and conditions have been met.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Jeffrey K. Clubb	8105	Centerville, Va.	Practicing with expired individual license; Use of CPA title; Unlicensed firm activity	1/28/16	§ 54.1-4414 ; § 54.1-4409.1 ; § 54.1-4412.1 and § 54.1-111

Consent Order

Jeffrey K. Clubb violated the Code of Virginia by conducting his unlicensed firm as a full service licensed CPA firm without a valid firm CPA license, for failing to be enrolled in a peer review monitoring program, and for the unlicensed use of the CPA title during the time his CPA individual license was expired.

Based on the violations, Clubb shall not practice as a CPA in Virginia until the VBOA has granted reinstatement of his expired CPA license. He also agreed to: (1) not provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia until he is licensed as a CPA firm by the VBOA; (2) remove all signage until he has been granted reinstatement of his expired CPA license; (3) pay a monetary penalty of \$2,500 for providing services restricted to licensed CPA firms and for failing to be enrolled in the applicable peer review monitoring program; (4) pay a monetary penalty of \$2,500 for the self-reported violation of the unlimited use of the CPA title without a valid CPA license; and (5) reimburse the VBOA \$500 for the investigation of this matter.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Warren Kyle Coleman	8168	Richmond, Va.	CPE deficiency	3/21/16	18VAC5-22-90

Consent Order

Warren Kyle Coleman violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014.

Based on the violations, Coleman's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, he shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Coleman understands that during the time his license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. He also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) remove the CPA title from all signage and any and all listings that implies he is currently licensed; and (3) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year. Coleman understands that failure to meet any terms and conditions of this order will result in the automatic suspension of his CPA license until such time that the terms and conditions have been met.

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Jonathan Dietz	24067	Falls Church, Va.	CPE deficiency; Failure to respond	6/16/16	§ 54.1-4413.3, 18VAC5-22-90 (A) and (B)(2) and 18VAC5-22-170 (A)(3)

Final Order

Jonathan Dietz violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014, and failed to meet the annual 20 hours CPE minimum requirement. He also failed to respond to CPE audit notifications.

Based on the violations, Dietz's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the Order. He shall be required to come before the Board as a condition of reinstatement of the CPA license. The Board ordered him to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) pay a monetary penalty of \$100 for failing to respond to the Board's notices regarding the CPE audit; (3) not use the CPA title and shall remove the CPA title from all signage and any and all listings that implies he is currently licensed; (4) not provide any services restricted to CPAs during the time his individual CPA license is suspended; (5) report the Board's order as an adverse administrative action to any present or future regulatory authority before which he practices; and (6) submit to the Board verification of CPE compliance for the reporting period following his reinstatement. Dietz shall comply with all terms and conditions of this order prior to the consideration of any and all applications for CPA licensure in Virginia.

Board Disciplinary Actions

Exam eligibility

Name	License number	City, State	Violation	Date	Authority
Cedrick E. Draper	Exam candidate	Martinsville, Va.	Eligibility	4/8/16	§ 54.1-4409.1 (C) and 18VAC5-22-80 (C) (4)

Consent Order

After successful completion of the CPA exam and in order to be considered for a CPA license in Virginia, the Board ordered Cedrick E. Draper to submit recommendations from college advisors/professors and from at least three employers, including the most recent, for evaluation and approval, as well as an updated background check. Draper must come before the Board after successful completion of the CPA exam to demonstrate that he has continued to exhibit the character and integrity to warrant being entrusted with public trust. Draper acknowledges that he will not apply for licensure in any other jurisdiction without providing a copy of this order.

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Gail Morris Fernandez	33701	Harrisonburg, Va.	CPE deficiency	2/12/16	18VAC5-22-90

Consent Order

Gail Morris Fernandez violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. She failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014.

Based on the violations, Fernandez's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, she shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Fernandez understands that during the time her license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. She also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 101 CPE; (2) pay \$100 for failing to respond to the Board's notices regarding the CPE audit; (3) remove the CPA title from all signage and any and all listings that implies she is currently licensed; and (4) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year. Fernandez understands that failure to meet any terms and conditions of this order will result in the automatic suspension of her CPA license until such time that the terms and conditions have been met.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
John J. Foster	20433	Sterling, Va.	Unlicensed firm activity; CPE deficiency	1/28/16	§ 54.1-4412.1 ; 18VAC5-22-150 and 18VAC5-22-140

Consent Order

John J. Foster violated the Code of Virginia by providing attest services without a valid CPA firm license.

Based on the violations, Foster shall not provide any attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia until he is licensed as a CPA firm by the VBOA. He also agreed to: (1) pay a monetary penalty of \$10,000 for conducting four audits without a valid firm license and for failing to be enrolled in a peer review practice monitoring program; (2) pay a monetary penalty of \$250 for failing to obtain the required 8 hours of A&A CPE in 2014; (3) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year; (4) pay a monetary penalty of \$250 for failing to obtain the annual minimum 20 hours of CPE for 2014; and (5) reimburse the VBOA \$500 for the investigation of this matter.

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Carl David Henne	11342	Reston, Va.	CPE deficiency	1/11/16	18VAC5-22-90

Consent Order

Carl David Henne violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2011, 2012, and 2013.

Based on the violations, Henne's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, he shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Henne understands that during the time his license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. He also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) remove the CPA title from all signage and any and all listings that implies he is currently licensed; and (3) submit verification of CPE compliance for the three calendar years of 2015, 2016, and 2017, including the Virginia-Specific Ethics Course for each year. Henne understands that failure to meet any terms and conditions of this order will result in the automatic suspension of his CPA license until such time that the terms and conditions have been met.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Perpetua Bongay Hernandez	33882	Lorton, Va.	CPE deficiency	3/09/16	18VAC5-22-90

Consent Order

Perpetua Bongay Hernandez violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education and failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014.

Based on the violations, Hernandez's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, Hernandez shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Hernandez understands that during the time her license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. Hernandez also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) remove the CPA title from all signage and any and all listings that implies she is currently licensed; and (3) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year. Hernandez understands that failure to meet any terms and conditions of this order will result in the automatic suspension of her CPA license until such time that the terms and conditions have been met.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Issifu Ibrahim	23478	Alexandria, Va.	Unlicensed firm activity	6/16/16	§ 54.1-4413.3 , § 54.1-4412.1 ; and 18VAC5-22-170 (A) (3)

Final Order

Issifu Ibrahim's individual CPA license shall be revoked for providing services restricted to licensed CPA firms, for failing to be enrolled in a practice monitoring program, and for failing to follow the technical standards issued by the AICPA in a 2011 attestation engagement.

Based on the violations, Ibrahim shall come before the Board as a condition of reinstatement of his individual CPA license. The Board ordered him to: (1) pay a monetary penalty of \$12,500 for performing one attest engagement without possessing a CPA firm license; (2) pay a monetary penalty of \$12,500 for failing to perform appropriate audit procedures as required for employee benefit plan financial statements; (3) pay a monetary penalty of \$100 for failing to respond to the Board's notices; (4) shall not use the CPA designation nor provide any services restricted to CPAs and remove the CPA designation from all signage and any and all listings that implies he is currently licensed; and (5) report this order as an adverse administrative action to any present or future regulatory authority before which he practices. Ibrahim shall comply with all terms and conditions prior to the consideration of any and all applications for CPA licensure or renewal of CPA licensure in Virginia.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Arnold Little Jr.	6741	Richmond, Va.	CPE deficiency; Failure to respond	5/3/16	18VAC5-22-90 and 18VAC5-22-170 (A) (3)

Consent Order

Arnold Little Jr. violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014, and failed to meet the annual 20 hours CPE minimum requirement. He also failed to respond to CPE audit notifications.

Based on the violations, Little's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, he shall be required to come before the Board as a condition of reinstatement. Little agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 118.5 CPE; (2) pay a monetary penalty of \$100 for failing to respond to three CPE audit notifications; (3) reimburse the Board of the reasonable cost of \$500 for the investigation of this matter; (4) remove the CPA title from all signage and any and all listings that implies he is currently licensed; (5) not use the CPA title or provide any services restricted to CPAs until his Virginia individual CPA license is reinstated; (6) report this Order as an adverse administrative action to any present or future regulatory authority before which he practices; (7) submit proof of completion of the current year's Virginia-Specific Ethics Course; and (8) submit verification of CPE compliance for the reporting period following his reinstatement. Little shall comply with all terms and conditions of this order prior to the consideration of any and all applications for CPA licensure in Virginia.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Mario Antonio Lopez	20965	Alexandria, Va.	Due professional care; Standards of conduct and practice	4/15/16	§ 54.1-4413.3 (1) (3) and AICPA ET § 201.01

Final Order

Mario Antonio Lopez violated the Code of Virginia regarding failure to communicate with the client, failing to file his client's IRS tax extension in a timely manner, failing to reconcile the amount of tax due reported, failing to obtain a signed and authorized Power of Attorney from the client, and jeopardizing the client's tax deduction for her 401K due to delay in filing the required extension.

The Board ordered Lopez to pay a monetary penalty of \$5,000 for failing to exercise due professional care. He shall submit proof of satisfactory completion of 20 hours of CPE on the topic of IRS Circular 230. These additional CPE requirements shall not count towards the current year's annual CPE requirements. He shall also report the Order as an adverse administrative action to any present or future regulatory authority before which he practices. Lopez shall comply with all terms and conditions of this order prior to the consideration of any and all applications for CPA licensure in Virginia.

Board Disciplinary Actions

Exam eligibility

Name	License number	City, State	Violation	Date	Authority
Ian Mathias Matthews	Exam candidate	Richmond, Va.	Eligibility	1/28/16	§ 54.1-4409.1 (C) and 18VAC5-22-80 (C) (4)

Consent Order

The VBOA ordered Ian Mathias Matthews to submit recommendations from college advisors/professors and all employers dating from the entry of this Consent Order for evaluation and approval, as well as an updated background check to demonstrate that he has continued to exhibit the character and integrity to warrant being entrusted with public trust after successful completion of the CPA examination and in order to apply for a CPA license in Virginia. Matthews acknowledges that he will not apply for licensure in any other jurisdiction without providing a copy of this Consent Order.

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Sahar Saad Nasr	27187	North Bergen, NJ	CPE deficiency	5/31/16	18VAC5-22-90

Consent Order

Sahar Saad Nasr violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2013, 2014, and 2015.

Based on the violations, Nasr's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, he shall be required to come before the Board as a condition of reinstatement and present proof of 120 hours of CPE. Nasr understands that during the time his license is suspended, the CPA title cannot be used nor any services provided restricted to CPAs until the CPA license has been reinstated. He also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) pay a monetary penalty of \$100 for failing to respond to the Board's notice regarding the CPE audit; (3) remove the CPA title from all signage and any and all listings that implies he is currently licensed; and (4) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year. Nasr understands that failure to meet any terms and conditions of this order will result in the automatic suspension of his CPA license until such time that the terms and conditions have been met.

Board Disciplinary Actions

CPE deficiency

Name	License number	City, State	Violation	Date	Authority
Warren Edward O'Hearn	10851	Montclair, Va.	CPE deficiency	4/12/16	18VAC5-22-90

Consent Order

Warren Edward O'Hearn violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours of CPE requirements, which includes an ethics course of at least two hours for calendar years 2011, 2012, and 2013.

Based on the violations, O'Hearn's CPA license shall be placed on suspension for a period of no less than six months from the entry date of the order. O'Hearn shall not use the CPA title nor provide any services restricted to CPAs during the time his individual CPA license is suspended until his license has been reinstated. He also agreed to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) submit the deficient 120 CPE hours within six months of the entry date of the Order and if he fails to submit the deficient hours, his license shall be suspended for an additional period of no less than six months; (3) submit proof of completion of the current year's Virginia-Specific Ethics Course by June 30, 2016; (4) remove the CPA title from all signage and any and all listings that implies he is currently licensed; and (5) submit verification of CPE compliance for the three calendar years of 2016, 2017, and 2018, including the Virginia-Specific Ethics Course for each year. O'Hearn understands that failure to meet any terms and conditions of this order will result in the automatic suspension of his CPA license until such time that the terms and conditions have been met.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Steven Dwight Pigott	Mississippi license 4459	Alexandria, Va.	Expired license; Use of the CPA title	6/16/16	§ 54.1-4414

Consent Order

Steven Dwight Pigott violated the Code of Virginia when he did not hold an active Virginia license and used the CPA title on his employer's website both prior to and after being notified of the violation.

Based on the violations, Pigott agreed to (1) pay a monetary penalty of \$12,000 for using the CPA title when he did not hold an active Virginia license or meet the requirements for substantial equivalency; (2) not use the CPA title and immediately remove all remaining signage with the CPA title on it and any and all listings that implies he is currently licensed; (3) remove any statement on his employer's website that states, explicitly or implicitly, that he is a CPA, certified public accountant, public accountant, or "Certified Public Accountant (certified but not licensed)"; (4) report this order as an adverse administrative action to any present or future regulatory authority before which he practices; and (5) pay the reasonable administrative fee of \$500 for the investigation of this matter. Pigott shall comply with all terms and conditions prior to the consideration of any and all applications for CPA licensure or renewal of CPA licensure in Virginia.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
Barbara Rahm	11742	Richmond, Va.	Standards of conduct and practice; Unlicensed firm activity	1/28/16	§ 54.1-4413.3 ; § 54.1-4412.1 ; 18VAC5-22-150 ; and 18VAC5-22-140

Consent Order

Barbara Rahm violated the Code of Virginia by providing compilation services without a valid CPA firm license in Virginia, for failing to obtain a peer review prior to issuing the letter of assurance, was deficient eight hours of A&A for 2012 and 2013, and did not follow the SSARS compilation reporting standards.

Based on the violations, Rahm shall not provide any attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia until she is licensed as a CPA firm by the VBOA. She also agreed to: (1) pay a monetary penalty of \$1,000 for providing compilation services without a firm license, for not enrolling in a peer review monitoring program, and for not following SSARS standards in connection with the compilation services performed; (2) pay a monetary penalty of \$250 for failure to obtain 8 hours of A&A in 2012 and 2013; (3) provide proof of CPE compliance in the subsequent three years by December 31 of each year; and (4) reimburse the VBOA \$500 for the investigation of this matter.

Professional violations

Name	License number	City, State	Violation	Date	Authority
SGS Associates, LLC	134225	Fairfax, Va.	Peer review	6/16/16	§ 54.1-4412.1 (D) (6)

Final Order

SGS Associates, LLC violated the Code of Virginia for performance of at least one audit engagement without enrolling in a practice monitoring program of the AICPA or its successor.

The Board ordered SGS Associates, LLC's Virginia firm CPA license to be suspended for failing to be enrolled in a practice monitoring program. SGS Associates, LLC shall (1) pay a monetary penalty of \$7,500 for performing at least one audit engagement; (2) not use the CPA title nor provide any services restricted to CPA firms; (3) remove the CPA title from all signage and any and all listings that implies it is currently licensed; (4) report this order as an adverse administrative action to any present or future regulatory authority before which it practices; and (5) be required to come before the Board as a condition of reinstatement. SGS Associates, LLC shall comply with all terms and conditions prior to the consideration of any and all applications for CPA licensure or renewal of CPA licensure in Virginia.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
Larry Eugene Smith	6347	Vienna, Va.	Failure to respond	6/16/16	18VAC5-22-170 (A) (3)

Final Order

Larry Eugene Smith violated the Code of Virginia for failing to respond to multiple notices from the Board regarding his firm's (SGS Associates, LLC) alleged violations.

Based on the violations, the Board ordered Smith to (1) pay a monetary penalty of \$100 for failing to respond to multiple notices and requests for information from the Board and (2) report this order as an adverse administrative action to any present or future regulatory authority before which he practices. Smith shall comply with all terms and conditions prior to the consideration of any and all applications for CPA licensure or renewal of CPA licensure in Virginia.

CPE deficiency

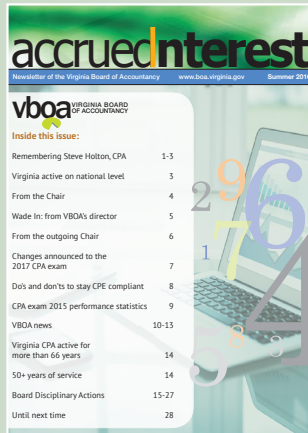
Name	License number	City, State	Violation	Date	Authority
Patrick Joseph Sullivan	30285	Halethorpe, Md.	CPE deficiency; Failure to respond	4/15/16	18VAC5-22-90 and 18VAC5-22-170 (A) (3)

Final Order

Patrick Joseph Sullivan violated the Board's regulations by not obtaining a minimum number of hours of continuing professional education. He failed to meet the total 120 hours CPE requirements, which includes an ethics course of at least two hours for calendar years 2012, 2013, and 2014, and failed to meet the annual 20 hours CPE minimum requirement. He also failed to respond to CPE audit notifications.

Based on the violations, Sullivan's CPA license shall be placed on suspension for a period of no less than one year from the entry date of the order. Upon completion of the one year suspension, he shall be required to come before the Board as a condition of reinstatement. The Board ordered him to: (1) pay a monetary penalty of \$1,000 for the deficiency of 120 CPE; (2) pay a monetary penalty of \$100 for failing to respond to the Board's notices regarding the CPE audit; (3) remove the CPA title from all signage and any and all listings that implies he is currently licensed; (4) not use the CPA title nor provide any services restricted to CPAs during the time his individual CPA license is suspended; (5) report the Board's Order as an adverse administrative action to any present or future regulatory authority before which he practices; and (6) submit verification of CPE compliance for the reporting period following his reinstatement. Sullivan shall comply with all terms and conditions of this order prior to the consideration of any and all applications for CPA licensure in Virginia.

Until next time...



For comments and/or questions about the VBOA newsletter, contact:

Kelli L. Anderson

Communications Manager

Phone: (804) 367-1586

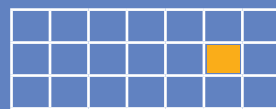
Fax: (804) 527-4409

Email: kelli.anderson@boa.virginia.gov

Website: www.boa.virginia.gov

View the listing for new
Virginia licensees
(individual and firm) on the
VBOA website.

The mission of the Virginia Board of Accountancy is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms.



Upcoming Board Meetings

■ Aug. 17, 2016: Virginia Society of CPAs
4309 Cox Road, Glen Allen, VA

■ Nov. 10, 2016: Christopher Newport University campus

Please visit the Board's [website](#) for additional information about upcoming meetings.

Board meetings are typically held in the second floor conference center at 9960 Mayland Drive, Henrico, Virginia 23233 unless otherwise noted.

Please call **(804) 367-8505** a week before the scheduled date for the latest details. Board meetings are open to the public.

Keep us informed

Have you moved? Changed your name? Changed your email address or phone number? Please update your contact information so we can reach you.

In accordance with Board Regulation [18VAC5-22-170](#), each holder of a Virginia license shall notify the VBOA in writing within 30 calendar days of any change in the holder's name or postal and electronic addresses where the person or firm may be reached.

Licensees

[Login](#) to update address, phone number and/or email address. A name change may only be submitted with a [Change of Contact Information Form](#).

Exam candidates

Submit a [Change of Contact Information Form](#) to update name, address, phone number and/or email address.

License renewal

It is the responsibility of the licensee to renew their license regardless if the licensee receives a reminder notice for renewal from the VBOA.

All licensed Virginia CPAs must renew their individual license annually. In general, an individual CPA license expires on the last day of the month in which the license was originally issued. Licensees may visit the VBOA [licensee search](#) to determine when their license is due to expire. The VBOA transmits courtesy electronic renewal notices approximately 30 days prior to expiration of the license (followed by a second notice approximately 60 days after expiration).

Renew an individual [CPA license on the VBOA website](#).