

DRAFT/UNAPPROVED for October 1, 2013
THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Tuesday, October 1, 2013 in Board Room 4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Andrea M. Kilmer, CPA, CFF, Chair
W. Barclay Bradshaw, CPA, Vice Chair
Marc B. Moyers, CPA
Stephanie S. Saunders, CPA
David R. Brat, Ph.D.
James “Jim” Holland, CPA

MEMBERS ABSENT: Robert J. Cochran, Ph.D., CPA

STAFF PRESENT: Wade A. Jewell, Executive Director
Chantal K. Scifres, Deputy Director
Mary T. Charity, Director of Operations
Dreana L. Gilliam, Board Administrator
Jean Grant, Enforcement Manager
Patti J. Hambright, Licensing and Examinations Coordinator

LEGAL COUNSEL: Joshua Lief, Senior Assistant Attorney General

OTHERS PRESENT: Tyrone E. Dickerson, CPA, Former Member & Immediate Past Chair,
Virginia Board of Accountancy
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public
Accountants
Linda Newsom-McCurdy, Education Director, Virginia Society of
Certified Public Accountants
Amy Mawyer, Vice President, Strategy & Development, Virginia
Society of Certified Public Accountants
Chip Knighton, Communications Specialist, Virginia Society of
Certified Public Accountants

**PRESENT FOR A
PORTION OF
THE MEETING:** Emily Walker, Government Affairs Director, Virginia Society of
Certified Public Accountants

CALL TO ORDER

Chairman Kilmer called the meeting to order at 10:06 a.m.

WELCOME AND INTRODUCTIONS

Ms. Kilmer welcomed newly appointed board member James “Jim” Holland, CPA and asked each member to introduce themselves.

SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Andrea M. Kilmer, CPA, CFF, Chair determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders and duly seconded, the members voted unanimously to approve the October 1, 2013 agenda as presented. The members voting “**AYE**” were Ms. Kilmer, Mr. Moyers, Mr. Bradshaw, Ms. Saunders, Mr. Holland and Dr. Brat.

APPROVAL OF CONSENT AGENDA

The August 22, 2013 minutes were removed from the consent agenda to address revisions. Ms. Gilliam advised the members that revisions to the August 22, 2013 minutes were received. She provided a suggested addition to the verbiage and upon a motion by Ms. Saunders and duly seconded, the members voted unanimously to approve the August 22, 2013 minutes as amended. The members voting “**AYE**” were Ms. Kilmer, Mr. Moyers, Mr. Bradshaw, Ms. Saunders, and Dr. Brat. Mr. Holland abstained from the vote.

Mr. Dickerson requested an opportunity to address the members prior to their vote for approval of the consent orders. He requested compassionate consideration on a case-by-case basis dependent upon the specific facts and circumstances in cases similar to Case # 2013-U0009. Mr. Bradshaw advised Mr. Dickerson that his comments were duly noted.

Upon a motion by Mr. Bradshaw and duly seconded, the members voted unanimously to approve the October 1, 2013 consent agenda. The members voting “**AYE**” were Ms. Kilmer, Mr. Moyers, Mr. Bradshaw, Ms. Saunders, and Dr. Brat. Mr. Holland abstained from the vote.

PUBLIC COMMENT PERIOD

Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants welcomed Mr. Holland and congratulated him on his appointment.

EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented general updates regarding the VBOA.

- Mr. Jewell reported that the web browser issue has been resolved. Licensees and exam candidates may access their records online with web browsers other than Internet Explorer (IE). Users of the current version of IE continue to experience compatibility issues. Mr. Jewell provided background information regarding the browser issues the VBOA has experienced since purchasing the My License Office (MLO) software package prior to him coming on board in 2009.
- Mr. Jewell reported the online payment of the re-examination fee is currently in the testing phase. Mr. Jewell provided a historical overview of the re-examination fee and the inability to incorporate the online payment processing of the fee into the agency's existing software. The fee was implemented effective January 1, 2013. Due to the continued ongoing system issues, Mr. Jewell plans to withhold the annual maintenance payment from the software provider until resolution has been reached.
- NASBA University is a training and networking event available to state board executive directors and staff. NASBA U is a two-day session held twice a year. Nicholas Tazza attended the September 17-19, 2013 session. He reported the training was beneficial and informative.
- Mr. Jewell reported that Mr. Dickerson will begin his inaugural term as the NASBA Middle-Atlantic Regional Director in October. The formal announcement of his appointment will be made at the upcoming annual meeting. Ms. Kilmer will represent the VBOA at the annual meeting this month. Mr. Dickerson reported that Carlos Johnson, In-Coming NASBA Chair, has appointed him as Chair of the Diversity Committee. As a result, Mr. Dickerson will resign from his position on the Enforcement Resources Committee (ERC) and make a recommendation for Ms. Kilmer to fill the vacancy.
- Mr. Jewell reported that Ms. Kilmer attended the VSCPA fall inauguration held in Northern Virginia. Ms. Kilmer stated that she had the opportunity to individually meet with the ninety (90) recently licensed CPAs. She reported they were well-poised, mature and will make great representatives of the profession. The event was well received.
- Mr. Jewell led the discussion regarding the inactive status. He reported he received a letter on September 30, 2013, from the VSCPA in support of implementing an "inactive" status. He will forward to the members prior to the November meeting.
- Mr. Jewell reported that the renovation of the office space to accommodate additional staff has been completed. The staff was temporarily relocated to the conference center for two months but was able to move back into the suite this week. Minor issues are pending; however, there are no remaining "major" issues.
- Mr. Jewell provided an update on the VBOA's participation in the Governor's Bowl Food and Fund Challenge. For the 2nd year in a row the VBOA has won the small agency category. Initially the total of pounds per person was reported incorrectly; however, Mr. Jewell and Ms. Scifres were able to work with the Governor's staff to resolve the issue. The VBOA was able to raise over \$600 per staff person.

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- Mr. Jewell has resubmitted a legislative request for mandatory registration of Virginia licensed firms in the Facilitated State Board Access (FSBA) System. The VBOA will not know if the administration supports this request until sometime in November.
- Mr. Jewell led the discussion regarding board staff. The VBOA currently has four (4) vacant positions. Screening of the applications submitted for the CPE Coordinator, Fiscal and Procurement Coordinator and the Communications Manager positions have been completed. Mr. Jewell will work with Ms. Scifres and Ms. Charity to schedule interviews. The Employee Work Profile (EWP) for the Enforcement position has not been completed as of yet.
- Mr. Jewell received a call from a partner with Deloitte requesting waiver of the AICPA ethics requirement for another partner based on her experience. Ms. Charity provided the following report; 24 boards only accept the AICPA ethics exam, 2 boards will accept the AICPA or board ethics, 7 boards require a state specific ethics course and 21 boards do not have an ethics requirement. Following a discussion, the members agreed to delegate the decision making authority to Mr. Jewell.
- The Professional Ethics Executive Committee (PEEC) ethics codification project has received a good response overall and is moving forward as indicated. The revised AICPA Code is scheduled to become effective December 2014.
- The VBOA Enforcement Committee met on September 30, 2013 and three (3) Informal Fact Findings (IFFs) were held. Due to time constraints the Status of Open Cases Report was not able to be completed in time for today's meeting. The report will be forwarded as soon as it has been updated to reflect current information.

FUTURE DISCUSSIONS

- CPE credits for completion of the Chartered Alternative Investment Analyst (CAIA) exam.
- Peer Review Oversight Committee (PROC) will reschedule its meeting before the November 6, 2013 full Board meeting.
- Inactive status.
- License renewals – renewal date change.
- Firm mobility (peer review requirements).
- CPE related issues.
- VA Ethics Course.

FINANCIAL REPORT

Ms. Scifres reported as of August 31, 2013 the VBOA has expended 14.7% of the budget. She responded to specific inquiries and turned the floor over to Ms. Charity.

BOARD REPORT

With there being no questions regarding the Board report, Ms. Charity provided a report of the number of Virginia licensed CPAs with addresses in bordering states.

- District of Columbia – 563
- Maryland – 1,926
- North Carolina – 677
- Tennessee – 168
- West Virginia - 102

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Mr. Jewell explained that the Board Report has evolved over the years and is a snapshot, a comparison from one year to the next of licensure, examination, enforcement and CPE standings.

BOARD DISCUSSION TOPICS

Ms. Saunders, as the Ethics CPE Committee Chair, led the discussion regarding the Annual Ethics CPE meeting held on September 26, 2013. Pursuant to the ethics course requirements of the Uniform Accountancy Act (UAA) the VBOA course is compliant. Following a detailed discussion regarding the future of the ethics CPE requirement the Ethics Committee members and the VSCPA felt strongly that Virginia CPAs are still in need of a course that includes Virginia rules and regulations. It was agreed that going forward the course should evolve into a more general course with the need for a rules and regulations portion being addressed during license renewal. During creation of the 2014 course the committee attempted to separate the current standing with future goals. Ms. Saunders and Dr. Brat provided an overview of discussion topics and elaborated on how decisions were reached to incorporate topics into the annual outline. Upon a motion by Ms. Saunders and duly seconded, the members voted unanimously to accept the 2014 Virginia-specific ethics outline as presented by the Ethics Committee. The members voting “**AYE**” were Ms. Kilmer, Mr. Moyers, Mr. Bradshaw, Ms. Saunders, and Dr. Brat. Mr. Holland abstained from the vote.

Ms. Saunders reported that the Ethics Committee members would like for the full board to take into consideration the implementation of renewal audits and approval of course providers. The Ethics Committee members unanimously agreed that renewal audits requiring the licensees to select “yes”, I have completed the Virginia-specific ethics course (and possibly entering the name of the sponsor and date the course was completed). In the event a licensee selects “no”, I have not completed the Virginia-specific ethics course they would be directed to the VSCPA version of the Virginia-specific ethics course or another approved sponsor of the course. The committee also recommended that the Board consider “approving”, at a minimum, all courses, with instructors to be practicing CPA’s, or more desirable would be selecting the VSCPA as the sole provider of this course (while allowing other individuals/companies the option of “purchasing” the course from the VSCPA). Mr. Jewell plans to discuss this with the Board’s Legal Counsel. Following the discussion the members agreed to defer further deliberation to the November meeting.

Mr. Bradshaw led the discussion regarding the AICPA Financial Reporting Framework (FRF) for small- and medium-sized entities. Following a detailed discussion, the members agreed that the current FRF framework can be categorized as another form of an “Other comprehensive basis of accounting (OCBOA)”. The current framework is consistent with previously implemented versions of OCBOA and no action is required at this time.

Mr. Bradshaw reported that the current issue of the VSCPAs Disclosure magazine included a good, balanced approach regarding the 150-hour requirement, written by Nancy Bagranoff, Dean of the Robins School of Business, University of Richmond.

FUTURE MEETING DATES

The Board has approved the following upcoming meeting dates:

November 6, 2013 (Longwood University) / 9:00am*

December 10, 2013 / 10:00 a.m.

January 28, 2013 / 10:00 a.m.

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*The Board meeting will begin by going into closed session for Enforcement cases. The public portion of the meeting will begin at 10:00 a.m.

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Ms. Kilmer and duly seconded, the meeting was adjourned by unanimous vote at 11:57 a.m. The members voting “**AYE**” were Ms. Kilmer, Mr. Bradshaw, Mr. Moyers, Ms. Saunders, Mr. Holland and Dr. Brat.

APPROVED:

Andrea M. Kilmer, CPA, CFF Chair

COPY TESTE:

Wade A. Jewell, Executive Director