
The Virginia Board of Accountancy (VBOA) met on Thursday, May 21, 2015 at the Virginia Society of CPAs, 4309 Cox Road, Glen Allen, Virginia 23060.

MEMBERS PRESENT:

W. Barclay Bradshaw, CPA, Chair
Robert J. Cochran, Ph.D., CPA, Vice Chair
Matthew P. Boshier, Esq.
James M. "Jim" Holland, CPA
Andrea M. Kilmer, CPA
Marc B. Moyers, CPA
Stephanie S. Saunders, CPA

LEGAL COUNSEL:

Anna Birkenheier, Assistant Attorney General
Spencer Anderson, Intern, Office of the Attorney General

STAFF PRESENT:

Wade A. Jewell, Executive Director
Chantal K. Scifres, Deputy Director
Mary T. Charity, Director of Operations
Mark Bong, Enforcement Director
Kelli Anderson, Communications Manager
Jean Grant, Enforcement Manager
Nicholas R. Tazza, Assistant Manager, Licensing and Examination
Patti Hambright, CPE/Peer Review Coordinator and Administrative Assistant

**MEMBERS OF THE
PUBLIC PRESENT:**

Stephanie Peters, CAE, President & CEO, Virginia Society of Certified Public Accountants
Maureen Dingus, Chief Operating Officer, Virginia Society of Certified Public Accountants
Emily Walker, Vice President, Advocacy, Virginia Society of Certified Public Accountants
Darshae Dabney, Regulatory and Legislative Affairs Manager, Virginia Society of Certified Public Accountants
Amy Mawyer, Vice President, Strategy and Development, Virginia Society of Certified Public Accountants
Richard Gordon, Education Manager, Virginia Society of Certified Public Accountants
Tucker Obenshain, Research Assistant, McGuire Woods Consulting
Roy Peters, CPA, Northstar Academy, Director of Finance & Operations
Dan Cassano, Esq., IRS Office of Chief Counsel
Kathy Cassano

CALL TO ORDER

Chairman Bradshaw called the meeting to order at 9:00 a.m. in Rooms C&D at the Virginia Society of Certified Public Accountants (VSCPA), located at 4309 Cox Road, Glen Allen, Virginia 23060.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Bradshaw 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 May 21, 2015 agenda. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

APPROVAL OF MINUTES

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the April 30, 2015 Board meeting minutes as amended. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

PUBLIC COMMENT PERIOD

Mr. Bradshaw invited members of the public to provide comments. Ms. Peters welcomed the Board, staff, and public. Mr. Jewell thanked the VSCPA for their hospitality in providing an off-site location for the meeting. Ms. Birkenheier introduced Spencer Anderson as an intern with the Office of the Attorney General and a student at the College of William & Mary.

PRESENTATION OF DISCUSSION TOPICS

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

Potential Consolidation of Board Policies #2 & #4

Dr. Cochran led the discussion regarding the potential consolidation of Board Policies #2 and #4. For the purpose of maintaining clarity and ease of use in finding relative information for CPE sponsors and Virginia licensees, Mr. Jewell suggested keeping the policies separate at this time with minor edits. Dr. Cochran shared that the Board had a small number of policies and it worked best to keep them straightforward. Ms. Kilmer suggested that if the Board was going to maintain two separate policies, then update Board Policy #2 as follows; Title: “Continuing Professional Education (CPE) Guidelines for Sponsors” to be consistent with Board Policy #4. Discussion ensued regarding the confusion over the term “instructor-led.” Mr. Boshier noted the need to clarify instructor-led CPE courses. Ms. Kilmer noted instructor-led CPE courses cannot be taken by ordering a book and completing a test. Mr. Bradshaw shared that self-study online courses are now instructor-led. Mr. Holland clarified all courses must have instructor participation. Ms. Mawyer agreed that clarity was needed around the online self-study course. Ms. Saunders suggested adding “*presented by an instructor*” after “online self-study” in the paragraph that discusses instructor led. Board members agreed for clarity Board Policy #2, page 1, paragraph 3, should read: “The course must be instructor-led but may be presented in a variety of different formats including, but not limited to, live seminars, conference sessions, online self-study *presented by an instructor*, live webcast and webcast replays, on-demand webcast and in-house training.” The Board members also supported the title change. The proposed revised policy will be presented for public comment, with a Board vote on the changes scheduled for June 30, 2015.

Regarding Board Policy #4, the Board agreed to modify the title to read: Continuing Professional Education (CPE) Guidelines *for CPAs*. The paragraph that is identical to Board Policy #2 relative to “instructor-led” will be modified to agree with the changes referenced above. Additional minor modifications were suggested as well. The proposed revised policy will be presented for public comment, with a Board vote on the changes scheduled for June 30, 2015.

Background Checks for Licensees

Mr. Jewell led the discussion regarding background checks for licensees. He noted last June an inquiry was made to the attorney general’s office as to whether or not statutes would allow for background checks. Ms. Birkenheier informed the Board last year that the statutes do allow for background checks on license applicants; however, she noted during this meeting it would be important to first identify the background check process for further discussion and review prior to beginning or initializing background checks. Ms. Kilmer noted she was licensed with the Florida Board and at the time of licensure had to pay a fee of \$15 for a background check. Ms. Kilmer shared she felt background checks should be done at the time an individual applies as an examination candidate. Dr. Cochran did not agree with a background check for applicants. Dr. Cochran felt examination candidates were generally young individuals graduating from college and at this time did not have a great deal of background history, if any. He also noted he did not feel this was a problem area and that it did not need to be fixed. Ms. Kilmer shared the \$15 background check she had paid for the Florida Board contained a one page state police issued report. The report did not include financials, and she felt the report was not intrusive. Mr. Boshier noted background checks can vary in their level of intrusion, ranging from a simple Google search to an actual investigation. Mr. Jewell shared that in preparation for the 2014 Executive Director’s Conference he did a survey regarding background checks (and other topics) among state boards of accountancy and presented his findings at a table topic breakfast. Mr. Jewell noted he had sent the survey to all 55 state boards of accountancy and had received some level of response from 45 state boards. He noted of the 45 state boards responding, six state boards required a background check on their examination applicants and 11 state boards required background checks for individuals applying for a CPA license. Boards used varying types of background checks. Mr. Jewell also shared that with the implementation of background checks staff workload would increase, considering we have over 1,800 first time exam applicants each year, and over 1,200 new licensees each year. Even if the applicant was required to obtain the background check and have it sent to the Board, staff would still have to review the documents. Mr. Jewell added that to his recollection during the 2014 Executive Director’s Conference he asked about the number of individuals denied licensure or the ability to sit for the exam following a background check, with a response less than five. Dr. Cochran shared the examination itself would act as a screening process (as not all individuals who apply pass the exam) and noted individuals graduating with a four-year degree do not set out to be criminals. Mr. Bradshaw reminded the Board of their purpose and responsibility to protect the public and was in favor of background checks. Mr. Boshier inquired as to the questions in relation to criminal history on the initial licensure and examination application. Mr. Jewell noted the application included whether or not the individual has ever been convicted in any jurisdiction of a felony or misdemeanor, whether or not the individual has ever violated a standards of conduct or practice in any jurisdiction, and whether or not the individual has ever been subject to disciplinary action imposed by any local, state or national regulatory body. Mr. Boshier suggested requiring applicants to certify the background information “under penalty of perjury.” Mr. Holland noted it was important not to rule people out before we rule people in. He added criminals don’t decide to be criminals, it happens through life events. Mr. Holland noted he was in support of no background checks. Mr. Boshier noted he would like to consider the matter further. Mr. Moyers noted criminal history was more likely obtained later on in life, and the staff would end up with a lot of paperwork to sift through. He noted his firm does background checks. However, when a new hire neglects to disclose his or her criminal history is when they are not hired. Mr. Moyers noted dishonest individuals would sign the application regardless of the wording. Mr. Bradshaw added in his experience most insurance carriers

require a background check to limit liability and added we do not know we have a problem if we do not ask. The topic would be kept for discussion at a later date. Mr. Jewell will follow up with Ms. Birkenheier on the “under penalty of perjury” suggestion from Mr. Boshier.

Revenue Projections

Fee Structure/Reserve Policy

Mr. Jewell led the discussion regarding the fee structure and trust fund reserve policy. Prior to the fee increase that went into effect January 1, 2013, the Board projected that there would be a decline in the number of licensed CPAs in Virginia over a 6-8 year period due to mobility and an aging CPA population. It was also projected initial CPA license applications would go down. However, in the past four years the number of Virginia licenses has increased between 2.8 - 3.7 %. Mr. Jewell noted revenue was continuing to grow, and that by June 30, 2015 our trust fund will exceed \$2 million. Dr. Cochran shared colleges were graduating more accounting students; however, the AICPA was seeing less examination candidates and if this trend continued revenue would begin to decrease. Ms. Kilmer shared the cost of the examination may be a discouraging factor for graduating students and would it be possible for the Board to assist students with those costs. Mr. Jewell informed the Board that when the new fee structure was set several years ago, several other state Boards had incurred expenditures between \$2 - \$3 million to cover legal and accounting fees relative to major fraud cases. Mr. Bradshaw explained litigation and attorney fees were costly and felt the trust fund should be high enough to protect the Board should a major fraud case occur in Virginia. Dr. Cochran agreed the cost of attorney fees, court costs and litigation continued to grow. Mr. Jewell also reminded the Board that beginning with the FY2015 financial statements, the Board would be required to recognize a retirement liability of approximately \$900,000 under GASB 68. In addition, the purchase of a new database will slow down the growth of the trust fund. The Board suggested that staff draft a revision to Board Policy #1 – Trust Account to include an annual review of the trust fund balance.

Procedures

Renewal Date for all Licensees/Active-Renewal Fee Delinquent Status

Mr. Jewell led the discussion regarding a single renewal date for all licensees and the active-renewal fee delinquent status. He explained Virginia allows a late renewal licensee the use of the CPA title for one year after their CPA license has expired. Their status is “Active-Renewal Fee Delinquent” for one year. After that time if the license is not renewed, the license would need to go through the reinstatement process. Mr. Jewell recommended eliminating this status and moving all CPA license renewals to the same date. He recommended opening up the renewal process for 90 days prior to the expiration, allowing the CPA a full three months to renew their license with no penalty. He suggested the Board would send multiple notices during that three month timeframe, reminding CPAs to renew their license. After allowing three months for renewal, if the license is not renewed during that time it would need to be reinstated. There would be no late fee; however, the license would go directly into an expired status and would need to reinstate their license. Mr. Jewell noted the implementations were not possible with our current system but suggested the changes be implemented with the new database. Ms. Kilmer noted the first year of license renewal fees would need to be prorated. Mr. Jewell agreed and added this would also be implemented with a new database system. After an in-depth discussion the Board agreed in principle with the implementation of a same date renewal for all licensees and with dropping the active – renewal fee delinquent status. Ms. Scifres shared that historically a large number of licensees waited until the last day of each month to renew their license and June 30 was the last day of the fiscal year. Ms. Saunders suggested staff look at renewal date statistics. This item will be carried forward for further discussion/consideration.

CPE Deadline

Mr. Jewell led the discussion regarding the CPE deadline for licensees. He noted the new NASBA CPE System tracked CPE hours annually based on January through December. Currently in Virginia an additional 30 days is allowed for CPAs in maintaining their CPE. The CPE Tracking System is unable to systematically add the additional CPE hours obtained in this grace period to an individual's CPE record. Mr. Jewell questioned whether or not this 30-day grace period was necessary. Ms. Kilmer shared at times courses taken in December are dated the following January due to the date that grades are received or holiday closings. Mr. Boshier and Mr. Bradshaw agreed the 30 day grace period was a good idea. Mr. Jewell suggested contacting NASBA with the possibility of modifying the CPE Tracking System to accept the additional 30-day timeframe.

Disciplinary Actions

Mr. Jewell led the discussion regarding disciplinary actions as they relate to CPE deficiencies. He noted Board Policy #5 stated that licensees with a first time CPE deficiency are not subject to publication on the VBOA website under disciplinary actions. However, Mr. Jewell noted that some licensees are suspended for first time CPE deficiencies depending upon the number of hours they are short CPE. Mr. Jewell suggested a modification of the policy to address CPE deficiencies resulting in a suspension. Mr. Boshier agreed that if the CPE deficiency is serious enough to warrant a suspension, the deficiency is serious enough to publish. Ms. Peters noted that the VSCPA had weighed in on the Board's policy regarding publication of CPE deficiency, and would like the opportunity to talk to the VSCPA Board's Executive Committee for their input. Dr. Cochran agreed a CPE deficiency resulting in suspension should be published. After a comprehensive discussion the Board agreed to amend Board Policy #5, 2nd paragraph, to read; "The Board 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 when disciplinary action results in suspension.*" The proposed revised policy will be presented for public comment, with a Board vote on the changes scheduled for June 30, 2015.

BREAK 11:00 a.m.

RECONVENE 11:10 a.m.

Potential 2016 Legislative Agenda

Active-Renewal Fee Delinquent Status

Dr. Cochran led the discussion regarding the Active-Renewal Fee Delinquent Status and felt it had been adequately addressed in an earlier discussion.

Using the CPA Title

Mr. Jewell led the discussion regarding using the CPA title. He noted the term "using the CPA title" is used throughout the VBOA's Statutes and Regulations and that there is a need for clarity of the term. The VBOA Regulation 18VAC5-22-40 states: "Determining whether a person who holds a Virginia license is providing services to the public using the CPA title or to an employer using the CPA title.

- For the purpose of determining whether a person who holds a Virginia license is providing services to the public using the CPA title or to an employer using the CPA title, as those terms are defined in §54.1-4400 of the Code of Virginia, because of the written information

readily available to the public through the board's Internet postings, **holding a Virginia license constitutes using the CPA title. ...**"

The regulations clearly make the point and clarify that "holding a Virginia license constitutes using the CPA title." If an individual has a Virginia CPA license, regardless of whether or not they are using the CPA designation, according to the VBOA Regulations that licensee is using the title. Mr. Jewell suggested the VBOA statutes would benefit from adding this clarification in the definitions. Mr. Bradshaw noted there were still CPAs who believe if they are not in public practice and not using the title, then they are not required to obtain CPE. He noted the definition in the statutes needed to agree with the explanations and terms used in the regulations. Mr. Jewell noted he would meet with Ms. Birkenheier and Ms. Walker from the VSCPA to compose potential updates of the statutes and regulations for review by the Board. Mr. Moyers suggested the annual Virginia-Specific Ethics Course could continue to provide a wide venue for educating CPAs.

Other Matters

Mr. Jewell discussed the confidential consent agreement sections of the Board's statutes and regulations. While the Board has yet to issue a confidential consent agreement, initial review by Ms. Birkenheier indicates that such an agreement would not be exempt from FOIA requirements. Mr. Jewell questioned the need for this type of agreement to be specifically referenced in the statutes and regulations. Mr. Jewell will work with Ms. Birkenheier for clarification. The Board was in agreement.

Potential Regulation Changes

Financial Statement Preparation Services

Mr. Jewell led the discussion regarding the impact of the new financial statement preparation services on the Board's Regulations. He noted the General Assembly and Governor had approved the bill adding financial statement preparation services to the VBOA Statutes. Mr. Bradshaw, with the assistance of former Board member and chair Steve Holton, has prepared revised regulations to encompass this new service. Mr. Jewell will incorporate these proposed changes with all other regulatory changes for presentation at a future Board meeting.

Using the CPA Title

Mr. Jewell indicated that the Board had already discussed this issue earlier in the meeting.

18VAC5-22-80. Examination

Mr. Jewell led the discussion regarding Regulation 18VAC5-22-80. Examination. Mr. Jewell recommended deleting A.3. in anticipation of changes by the AICPA. The AICPA had proposed allowing exam candidates to take the same examination twice in one quarter. Elimination of this section would not be affected even if the AICPA does not make this change. Mr. Jewell also recommended updating 18VAC5-22-90 B. by deleting B.1. and making other minor modifications. The dates referenced are no longer relative. Ms. Saunders suggested combining sections A. and B. Mr. Jewell noted 18VAC5-22-80 A. addresses public accounting and the licensees' principal place of business, but would look at combining the sections without causing confusion. Ms. Walker noted every CPA is subject to the same CPE requirements. In addition, Mr. Jewell discussed 18VAC5-22-90 H. and 18VAC5-22-150 in relation to whether or not requests for exceptions must be made in advance. After discussion, the Board

suggested we not make any changes to these sections at this time. Ms. Kilmer noted the language in the regulations needed to be in sync with statute language and should be reviewed.

Active - CPE Exempt Status

Procedures

Mr. Jewell led the discussion regarding the Active - CPE Exempt Status. Due to the confusion over the new status, Mr. Jewell reminded the Board that during the previous year staff had allowed CPAs who were randomly selected for audit and applied for and were denied the Active-CPE Exempt Status, a one year grace period to obtain the required CPE. On July 1, 2015, it will be one year since the implementation of the new status and application process. Mr. Jewell suggested that moving forward after July 1, 2015, and considering communications that were previously sent out, all future CPE audits that result in deficiency will be subject to disciplinary action (i.e., licensees will not be able to apply for the Active – CPE Exempt Status as a way to avoid CPE compliance). Licensees must be “pre-approved” for the status in order to be CPE exempt for previous requirements. Ms. Kilmer shared completing 120 CPE credits in one year were very difficult and should be taken into consideration. She felt 120 CPE credits in one year might be unrealistic. Mr. Bradshaw suggested extending the grace period another 6 months, but was also open to other suggestions. Mr. Jewell reminded the Board that as part of the CPE audit process, licensees could request an IFF in lieu of signing a consent order. Ms. Kilmer stated the annual Virginia-Specific Ethics Course was an annual opportunity to remind CPAs of the requirements. The consensus of the Board is to not extend the grace period beyond June 30, 2015.

Mr. Jewell also suggested that the Board should consider requiring licensees that have been approved for the Active – CPE Exempt status certify at the time of license renewal their understanding of any statute, regulation or policy changes that may affect CPE requirements. The Board could consider implementing such changes with the implementation of a new system. Mr. Jewell also questioned whether or not licensees with the Active – CPE Exempt status should be required to take the annual ethics course. Dr. Cochran shared the status of Active-CPE Exempt indicated no CPE credits were needed and requiring the annual ethics would be inconsistent. Mr. Jewell suggested waiting until a new database system was in place. He noted a blast email to only CPAs with the new status questioning as to a change in their license status might be more effective. Ms. Saunders suggested at the time of license renewal to request whether there has been a status change or not with the licensee. Ms. Mawyer questioned as to whether CPAs with the Active - CPE Exempt Status were still in the pool for audit selection. Ms. Charity noted licensees with the Active – CPE Exempt Status were not in the audit pool. Dr. Cochran suggested tabling the subject for a later discussion once the Board nears implementation of a new system.

Volunteer Services

Mr. Jewell led the discussion regarding volunteer services. His understanding from previous discussions was that a CPA performing volunteer services would not be affected by the Active - CPE Exempt Status. The Board was in agreement. A licensee either meets the requirements to perform volunteer services and not be subject to having a firm license, or not. Simply performing volunteer services does not trigger any CPE requirements for a licensee. Numerous examples of those qualifying to perform volunteer services were shared.

RECESS FOR LUNCH 12:05 p.m.

RECONVENE 12:45 p.m.

Active – CPE Exempt Status (continued)

Substantial Use discussion

Mr. Bradshaw led the discussion regarding substantial use. He shared that based on his own research and experience, he believed that 5% was the standard measure to be used when determining “substantial use.” Ms. Saunders suggested 10% as the cut off based on her own research and experience. Mr. Moyers noted substantial was a broad term and the dependence would be on the nature of the work performed. Mr. Jewell noted with the applications and job descriptions received the work performed in a specific area was typically not broken down by percentage. Ms. Saunders shared she felt job descriptions must be reviewed on a case-by-case basis when in doubt. She provided an example of a real estate agent and felt their work did not engage 5% - 10% in accounting. Ms. Kilmer suggested looking at the fields of work in reverse and considering whether accounting services are incidental to the job performance. Ms. Kilmer noted she was a licensed real estate agent. She noted if given the choice, would an individual choose a real estate agent with a CPA over a real estate agent without the designation? Dr. Cochran believed the definition of substantial use would be difficult to define. He agreed it is a huge concession to say you are a CPA and then not need CPE. Dr. Cochran noted he felt a CPA not obtaining CPE should not be allowed to do anything accounting related. He also felt volunteer work should not be allowed even with the Active - CPE Exempt Status. He noted a CPA should not accept that type of work when declared CPE exempt. Dr. Cochran gave the example of a brain surgeon and shared if the surgeon only performed one brain surgery a year would it be acceptable for the surgeon to have no continuing education? Mr. Moyers agreed with Dr. Cochran, and Ms. Kilmer noted she was leaning in their direction. Dr. Cochran shared that ethically CPAs have limitations and cannot do certain things. He also noted that even for the real estate agent, by not answering a client’s question involving accounting, finances, tax, etc., could be perceived as the answer itself. Mr. Bradshaw shared when in doubt the status is denied. Dr. Cochran shared the status of Retired might be a better status. After hearing Dr. Cochran’s opinion, Ms. Saunders agreed the standard measure should be 5%. Ms. Kilmer explained she was leaning in the direction of all CPAs needing CPE. Mr. Boshier suggested if you are a licensed CPA, you are trading on the title. Mr. Boshier also suggested that the Board consider publishing 10 – 20 cases demonstrating both approval and denial of the Active – CPE Exempt status. Mr. Jewell added that CPE obtained in real estate is acceptable for a Virginia CPA and that Virginia is one of the most flexible states in the country when it comes to obtaining CPE. The only CPE that Virginia mandates is two hours annually of Virginia-Specific Ethics. Mr. Cassano interjected that his argument was that he never uses the CPA title, works in another profession (Office of Chief Counsel, IRS), and is also outside of Virginia’s jurisdiction. He believes he should be considered CPE Exempt. He noted he had written a 35 page brief on the subject, and asked for an opinion from the Office of the Attorney General. Ms. Birkenheier interjected she was unable to provide him with that service. Mr. Bradshaw asked Mr. Cassano, several times, if he had any further comments for the Board. He had none, but noted that he was refraining from discussing the specific merits of his application for the Active – CPE Exempt status. Mr. Moyers noted it was impossible to infer job duties from titles. Ms. Saunders suggested that the Board may need to consider doing away with the Active - CPE Exempt Status. Ms. Kilmer and Mr. Bradshaw indicated it was worthy of additional consideration. Dr. Cochran explained he was not suggesting doing away with the status, but revising it to state that if you are Active - CPE Exempt you cannot perform any accounting work. Discussion also ensued over NASBA’s look at this issue with the AICPA, to include discussions around “retired” or “inactive” and what exactly those statuses mean. Mr. Bradshaw suggested the Board carry over this topic for future consideration/discussion.

Discuss definition of “providing services to an employer”

Mr. Jewell led the discussion regarding “providing services to an employer” as defined in our statutes and referenced in our regulations. Ms. Kilmer noted the language was unclear. Ms. Saunders noted while reviewing the language in the statutes and regulations the definition needed to be clarified. Mr. Bradshaw shared, in his opinion, everyone that has a job has an employer. Mr. Holland cautioned with making the definition too specific causing additional issues. Mr. Jewell noted the definitions would be reviewed with caution, and would be included with any proposed changes to the statutes and regulations.

Discuss definition of “financial”

After discussion, it was the consensus of the Board that this term should be broadly interpreted in connection with the CPE exempt applications of licensees who provide services to an employer. Specially, realtors would fall under this category as well as the more obvious bankers, brokers, etc.

OTHER TOPICS

Mr. Jewell shared Ms. Anderson had restructured the VBOA website disciplinary page. Previously disciplinary actions were arranged by calendar year. Ms. Anderson had alphabetized the listing by last name making the listing more efficient. Ms. Kilmer suggested linking the CPA Verify website to the disciplinary history of CPAs. Mr. Jewell shared our current system had limitations and this could be reviewed once a new database is functional.

Mr. Moyers shared the PROC Committee had met on May 19, 2015. Items of discussion included Committee progress, AICPA Peer Review Board updates, NASBA Compliance Assurance Committee updates, and the NASBA Failed Reports Guidance document. Mr. Moyers noted the NASBA PROC Summit would be held on July 10, 2015, with attendees including Nadia Rogers, Steve Walls and Mr. Jewell. Questions about the impact of peer review and FOIA were raised with Ms. Birkenheier, who attended the PROC Committee meeting. Ms. Birkenheier will work with Mr. Jewell and offer guidance on this issue. He also noted the Committee had reviewed and suggested revisions to Board Policy #7. The first recommendation was page 1 (III). “Effective July 1, 2010” should be removed and the first sentence should read, “The PROC shall consist of one or more members, approved by the VBOA, who are active licensed Virginia CPAs.” The Committee felt the effective date was unnecessary as the policy is already in effect. The Committee discussed the importance of a Committee member participating in the AICPA Peer Review Board open sessions and NASBA Compliance Assurance Committee meetings. After a thorough discussion the Committee agreed on revising page 2, (V) (A). The Committee members agreed to add at the end of the first paragraph, “*A member of the PROC shall participate in the AICPA Peer Review Board open sessions and the NASBA Compliance Assurance Committee meetings.*” After a comprehensive discussion by the Committee it was also recommended to update the first sentence on page 2, (V) (B) (1) to read, “A member of the PROC shall attend selected meetings of the PROC, *including the meeting where the AICPA Peer Review Board Oversight Task Force presents its results.*” Committee members also noted page 3, (VI) (B) (6) would be revised to read, “The VSCPA has a *biennial* oversight visit and subsequent report issued by the AICPA Peer Review Board Oversight Task Force.” The Board agreed with the proposed changes as presented. The proposed revised policy will be presented for public comment, with a Board vote on the changes scheduled for June 30, 2015. Mr. Moyers noted that additional discussions regarding a Board policy on reporting peer review results to the Board’s Enforcement Committee will take place following the PROC Summit in July and subsequent clarification from the Attorney General’s Office.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- PROC – Policy on reporting Peer Review results to Enforcement Committee
- CPE – VBOA/VSCPA discussions
- Inactive Status / Active – CPE Exempt Status
- Single Renewal Date all Virginia Licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes, including “providing services to an employer” definition
- Policy changes

Sign Conflict of Interest Forms

Sign Travel Expense Vouchers

Future Meeting Dates

- June 30, 2015

Fall Meeting – Campus Location?

Mr. Jewell led the discussion regarding the Board’s annual Board meeting on a college campus. Mr. Jewell noted there had been both success and failure with regard to the number of attendees for the campus Board meetings. He noted he would like to see a guaranteed minimum attendance by students at the college campus meeting. Mr. Jewell suggested letting colleges/universities interested in having the Board meet at their institution complete an application showing interest. Mr. Bradshaw inquired as to whether the schools would incur out-of-pocket expenses for holding the meeting. Mr. Jewell assured Mr. Bradshaw if the college incurs added expenses the Board always offers reimbursement. Board staff will proceed with a new approach to soliciting interest in campus Board meetings.

ENFORCEMENT

Begin Closed Meeting

Upon a motion by Dr. Cochran, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation and/or consider the status of all open Enforcement Cases, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27). The following non-members were in attendance to reasonably aid the consideration of these topics: Wade A. Jewell, Executive Director, Mark Bong, Enforcement Director, Jean Grant, Enforcement Manager (portion of the closed meeting), Anna Birkenheier, Assistant Attorney General and Spencer Anderson, Intern, Office of the Attorney General. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers and Ms. Saunders.

END CLOSED MEETING

Upon a motion by Dr. Cochran, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

W. Barclay Bradshaw, CPA – Abstain
Robert J. Cochran, Ph.D., CPA – Aye
Matthew P. Boshier, Esq. – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Marc B. Moyers, CPA – Not Present
Stephanie S. Saunders, CPA – Not Present

VOTE:

AYES: Four (4)
NAYS: None

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

Case #2014-D0026 (*Bradshaw & Saunders*)

Mr. Bradshaw, Mr. Moyers and Ms. Saunders did not participate in the discussion or subsequent vote.

Upon a motion by Mr. Boshier, and duly seconded, the members voted to accept the amended Board Order as presented.

CALL FOR VOTE:

W. Barclay Bradshaw, CPA – Abstain
Robert J. Cochran, Ph.D., CPA – Aye
Matthew P. Boshier, Esq. – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Marc B. Moyers, CPA – Not Present
Stephanie S. Saunders, CPA – Not Present

VOTE:

AYES: Four (4)
NAYS: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Bradshaw and duly seconded, the meeting was adjourned by unanimous vote at 3:22 p.m. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Bosher, Mr. Holland, and Ms. Kilmer.

APPROVED:

W. Barclay Bradshaw, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director