
The Virginia Board of Accountancy (VBOA) met on Tuesday, September 29, 2015 in Board Room #4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Stephanie S. Saunders, CPA, Chair
Marc B. Moyers, CPA, Vice Chair
Matthew P. Boshier, Esq.
D. Brian Carson, CPA
Susan Quaintance Ferguson, CPA
James M. “Jim” Holland, CPA
Andrea M. Kilmer, CPA

LEGAL COUNSEL: Anna Birkenheier, Assistant 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 Eads, Enforcement Manager
Patti Hambright, CPE/Peer Review Coordinator and Administrative Assistant
Melinda Haddon, Financial & Procurement Coordinator

MEMBERS OF THE PUBLIC PRESENT: W. Barclay Bradshaw, CPA, Past Chair & Former Board Member
Maria J.K. Everett, Executive Director, Virginia Freedom of Information Advisory Council
Maureen Dingus, Chief Operating Officer, 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
Linda Newsom-McCurdy, Education Director, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Saunders called the meeting to order at 10:05 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Saunders determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to approve the September 29, 2015 agenda as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

APPROVAL OF CONSENT AGENDA

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to approve the September 29, 2015 consent agenda, to include the June 30, 2015 Board meeting minutes as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer. (Note: Mr. Carson & Ms. Ferguson’s votes were for the consent orders only, as they were not present nor on the Board at the June 30, 2015 Board meeting).

PUBLIC COMMENT PERIOD

Ms. Saunders welcomed and invited members of the public to provide comments. No comments were provided at this time.

BOARD MEMBER INTRODUCTIONS

Ms. Saunders welcomed the new members, Mr. Carson and Ms. Ferguson, to the Board. Board members, staff and the public introduced themselves.

COMMITTEE/NASBA UPDATES

Ms. Saunders led the discussion regarding the NASBA Communications Committee. She noted NASBA’s annual meeting would be held October 25 – 28 in Dana Point, CA. Ms. Saunders, Mr. Moyers and Mr. Jewell would be attending. Ms. Saunders noted the NASBA Communications & Outreach website provided a listing of services to state boards (all free of charge). Ms. Saunders noted that NASBA has asked the Virginia Board to make a presentation at the Communications Officers breakfast at the Annual Meeting, and asked Mr. Jewell if he would make the presentation. Mr. Jewell agreed and stated that he looked forward to the opportunity.

There were no updates to the NASBA Legislative Support Committee at this time.

Mr. Moyers led the discussion regarding the NASBA Ethics Committee. He noted there had been a great deal of activity regarding the exposure drafts, but nothing more to report at this time.

Mr. Jewell led the discussion regarding the NASBA Executive Director’s Committee. Mr. Jewell noted both the Executive Directors/Staff and the Legal Counsel Conferences for 2016 would be held March 15 – 17, 2016 in Tuscan, Arizona.

Mr. Jewell led the discussion regarding the NASBA Peer Review Oversight Summit (PROC). He noted the Summit was held on July 10, 2015 in Nashville, TN. Mr. Jewell, Nadia Rogers, CPA, PROC Chair, and Steve Walls, CPA, PROC Committee Member, along with Ms. Dabney, Virginia Society of CPAs, attended. He noted Ms. Rogers participated in a panel discussion regarding NASBA’s Peer Review Failed Reports Guidance guidelines. Breakout sessions consisted of two groups; those wanting to form a PROC Committee and those with committees already formed. The PROC Summit is held every two years. Mr. Jewell indicated attendance continued to grow at each Summit, and that it was very successful.

Mr. Jewell led the discussion regarding the NASBA National Registry Summit. The summit was held September 9 – September 11, 2015 in Washington, DC. The summit was geared towards CPE providers registered with NASBA and the ever changing model for CPE. Mr. Jewell noted the CPE concept is moving more toward the use of videos and gamification. Mr. Jewell believed the discussions were also beneficial to state boards, and that Virginia could use the information received from the conference in development of its own training and informational videos. Amy Mawyer and Linda Newsome-McCurdy from the VSCPA also attended, and shared their comments about the Summit. Mr. Jewell, Ms. Mawyer and Ms. McCurdy all believed the Summit was very successful and beneficial.

Mr. Jewell led the discussion regarding the NASBA Annual Meeting. He noted the NASBA Nominating Committee had met on August 21, 2015. He congratulated Ms. Saunders on her nomination for Middle Atlantic Regional Director. As previously mentioned by Ms. Saunders, she, Mr. Moyers and Mr. Jewell would all be attending the Annual Meeting.

FOIA TRAINING FOR BOARD MEMBERS

Ms. Everett provided the annual FOIA (Freedom of Information Act) training and discussed requirements for conducting meetings and use of emails that comply with FOIA relative to Board meeting and correspondence.

EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented general updates regarding the VBOA:

- Mr. Jewell and Mr. Bong participated in discussions with the VSCPA, the Department of Labor (DOL), the AICPA, NASBA and numerous Virginia firms in three Town Hall Meetings regarding the May 2015 DOL Report on audit quality. The meetings took place in Northern Virginia, at the VSCPA and in Chesapeake.
- Mr. Jewell and Ms. Saunders participated in the VSCPA's Virtual Professional Issues Update session on July 22, 2015, dedicated to the VBOA. The webcast contained an overview including Virginia statute changes, policy, and the new Active-CPE Exempt status.
- Mr. Jewell noted the new full-time VBOA IT position had been filled with a start date of October 25, 2015.
- Mr. Jewell updated the Board with recent renovations relative to office space. The building lease was renegotiated, and the VBOA was able to acquire additional office space needed to accommodate new IT positions. The VBOA's Enforcement team will be relocated to the new office space to make room for IT staff in the existing space.
- Mr. Jewell updated the Board with progress in developing the Request for Proposal (RFP) template for a new database. North Highland Company has been contracted to work with Board staff to develop the RFP, with a goal of February 2016 to issue the RFP. The goal is to have a contract with a vendor by the summer of 2016.
- Ms. Charity, Mr. Tazza and Ms. Anderson attended Radford University's Firm Night on September 17, 2015. Ms. Charity noted the event to be very beneficial to students with the

one-on-one format. Ms. Anderson will reach out to other educational institutions in hopes of visiting other campuses hosting “Firm” night events for students.

- Mr. Jewell noted that progress had been slowed on the implementation of additional whiteboard videos for the website due to staff turnover at NASBA.
- Mr. Bong provided a status update on the DOL list of firms that were identified as providing audits (in 2011) for Virginia-based Employee Benefit Plans. Mr. Bong noted of the 370 firms, enforcement first focused on Virginia based firms and as a result had opened five cases. The list was examined to locate Virginia audits performed by entities not licensed and enrolled in peer review in Virginia. A review of out of state cases is ongoing.
- Mr. Bong provided a status update of a PTIN list of 5,800 Virginia tax preparers received from NASBA that referenced a CPA designation. Enforcement has reviewed 3,600 names, and is focusing on 17 cases of the potential unauthorized use of the CPA designation. A review of the remaining names on the list is ongoing.
- Ms. Charity updated the Board with Active-CPE Exempt status applications. She noted 1,390 Active-CPE Exempt status applications have been received, with a total of 949 approved as of September 29, 2015.

June 2015 Financial Report (end of FY15)

Ms. Scifres presented and fielded questions regarding the June 2015 (end of FY15) Financial Report.

RECESS FOR BOARD LUNCH 12:20

RECONVENE 1:15

BOARD RECOGNITION

Mr. Bradshaw recognized Mr. Moyers’ many achievements in celebrating his retirement from KPMG. Board members and staff also congratulated Mr. Moyers’ on his retirement.

EXECUTIVE DIRECTOR’S REPORT, continued

FY16 Proposed Budget

Ms. Scifres presented and fielded questions regarding the FY16 Proposed Budget.

Upon a motion by Mr. Holland and duly seconded, the members voted unanimously to approve the FY16 Proposed Budget as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

August 2015 Financial Report

Ms. Scifres presented and fielded questions regarding the August 2015 Financial Report.

August 2015 Board Report

Ms. Charity presented and fielded questions regarding the August 2015 Board Report. In addition, she reported statistics gathered during July and August 2015 regarding CPE audits and the annual Virginia-Specific Ethics as a deficiency. Mr. Holland suggested gathering statistics among licensees surrendering their CPA license or allowing the license to expire.

General Updates, continued

Mr. Jewell noted Mr. Bradshaw had volunteered to continue serving on the Enforcement Committee. Ms. Birkenheier recommended discussion in closed session.

BOARD DISCUSSION TOPICS

AICPA – CPA Exam Exposure Draft

Mr. Jewell led the discussion regarding the AICPA CPA Exam Exposure Draft. He noted the AICPA had released the exposure draft on September 1, 2015 with comments due November 30, 2015. Considered exam updates included more simulations that would tie different parts of the accounting profession together, extending each testing window an additional 10 days, and allowing candidates the ability to take the same exam section twice in one testing window. Two webinars have been scheduled for the week of October 5 as well. Mr. Jewell will place this topic on the November 5, 2015 Board meeting agenda for follow up discussion.

PROC – Reporting Peer Review results to Enforcement Committee

Mr. Moyers led the discussion regarding the reporting of peer review results to the Enforcement Committee. Mr. Moyers noted NASBA's Failed Reports Guidance recommended follow up action (letter) after a firm's first pass with deficiency or initial failed peer review report. In lieu of taking any type of action after a first report, Mr. Moyers noted the PROC Committee had confidence in the VSCPA peer review process and had recommended referral to enforcement after two consecutive failed or pass with deficiency reports.

Upon a motion by Mr. Moyers, and duly seconded, the members voted unanimously that the Board adopt a process whereby Board staff will refer peer review results to the Board's Enforcement Committee after two consecutive pass with deficiency, failed or any combination thereof, for review and determination as to whether there has been any violation of the Board's statutes and/or regulations. The members voting "AYE" were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

Presentation of 2016 Virginia-Specific Ethics Course Outline

Mr. Boshier led the discussion regarding the presentation of the proposed 2016 Virginia-Specific Ethics Course Outline. The Ethics Committee met on September 17, 2015. Specific discussions and recommendations included options for non-public accounting CPAs as well as the incorporation of case studies.

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to accept the 2016 Virginia-Specific Ethics Course Outline as presented. The members voting "AYE" were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

Status of 2016 Virginia-Specific Ethics Course Content Provider

Mr. Jewell updated the Board on the status of the Request for Proposal (RFP) that had been issued in August for the 2016 Virginia-Specific Ethics Course content provider. The Division of Purchases and Supply (DPS), Department of General Services is coordinating and managing the RFP process through the award of a contract. The DPS anticipates awarding a contract by mid-October.

NASBA Bylaws – Proposed Amendments for Consideration at Annual Meeting

Ms. Saunders led the discussion regarding the NASBA Bylaws proposed amendments for consideration at the annual meeting. She reviewed proposed amendments with Board members.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items / Potential Future Topics

- AICPA – CPA Exam Exposure Draft
- CPE – VBOA/VSCPA discussions
- Inactive Status
- Single Renewal Date all Virginia Licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Validity of CPE certificates
- Study on why CPAs voluntarily surrender or allow their CPA license to expire
- Consider committee for reviewing professional issues/updates that may require a Board response
- NC Dental Case – Supreme Court ruling and impact on VBOA

Sign Conflict of Interest Forms

Sign Travel Expense Vouchers

Future Meeting Dates

November 5, 2015 (JMU Campus)
December 11, 2015

ENFORCEMENT

BEGIN CLOSED MEETING

Upon a motion by Mr. Moyers, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy immediately convene a closed meeting under the Virginia Freedom of Information Act to consult with legal counsel on issues relating to probable litigation and/or consider the status of all open Enforcement Cases and cases listed on the agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27). The following non-members were in attendance to reasonably aid the consideration of these topics: Wade A. Jewell, Executive Director, Mark Bong, Enforcement Director, Anna Birkenheier, Assistant Attorney General, and Jean Eads,

Enforcement Manager. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

A fire alarm resulted in an evacuation of the building. Following the all clear signal, the closed meeting continued.

END CLOSED MEETING

Upon a motion by Mr. Moyers, and duly seconded, the Virginia Board of Accountancy 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:

Stephanie S. Saunders, CPA – Aye (portion of the closed meeting)
Marc B. Moyers, CPA – Aye
Matthew P. Boshier, Esq. – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye

VOTE:

AYES: Seven (7)
NAYS: None

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

Case #2015-U0002 (*Saunders & Bradshaw*)

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to accept the Board Order as presented.

CALL FOR VOTE:

Stephanie S. Saunders, CPA – Abstain
Marc B. Moyers, CPA – Aye
Matthew P. Boshier, Esq. – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye

VOTE:
AYES: Six (6)
NAYS: None

Case #2015-U0010 (*Saunders & Bradshaw*)

Upon a motion by Ms. Ferguson and duly seconded, the members voted unanimously to accept the Board Order as presented.

CALL FOR VOTE:
Stephanie S. Saunders, CPA – Abstain
Marc B. Moyers, CPA – Aye
Matthew P. Boshier, Esq. – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye

VOTE:
AYES: Six (6)
NAYS: None

Case #2015-E0004 (*Saunders & Bradshaw*)

Ms. Saunders was absent and did not participate in the discussion or subsequent vote.

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

CALL FOR VOTE:
Stephanie S. Saunders, CPA – Abstain
Marc B. Moyers, CPA – Aye
Matthew P. Boshier, Esq. – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye

VOTE:
AYES: Six (6)
NAYS: None

Case # 2014-D0026 (Bradshaw & Saunders)

Upon a motion by Mr. Boshier and duly seconded, the members voted unanimously that the Board Order shall not be stayed.

CALL FOR VOTE:
Stephanie S. Saunders, CPA – Aye

FINAL/Approved for September 29, 2015
THE VIRGINIA BOARD OF ACCOUNTANCY

Marc B. Moyers, CPA – Aye
Matthew P. Boshier, Esq. – Aye
D. Brian Carson, CPA – Aye
Susan Quaintance Ferguson, CPA – Aye
James M. “Jim” Holland, CPA – Aye
Andrea M. Kilmer, CPA – Aye

VOTE:

AYES: Seven (7)

NAYS: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Moyers and duly seconded, the meeting was adjourned by unanimous vote at 4:45 p.m. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

APPROVED:

Stephanie S. Saunders, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director