

FINAL/Approved for January 28, 2016  
**THE VIRGINIA BOARD OF ACCOUNTANCY**

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The Virginia Board of Accountancy (VBOA) met on Thursday, January 28, 2016 in Board Room #1 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

**MEMBERS PRESENT FOR  
A PORTION OF THE  
MEETING:**

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  
Rebekah Allen, Enforcement Director  
Kelli Anderson, Communications Manager  
Patti Hambright, CPE/Peer Review Coordinator and Administrative Assistant

**MEMBERS OF THE  
PUBLIC PRESENT:**

Marcus Aron, Senior Auditor, Office of the Chief Accountant,  
Department of Labor  
Lisa Germano, CPA, JD, CGMA, Virginia Society of Certified Public  
Accountants, VSCPA Board Chair  
Kevin Savoy, Audit Director, Strategic Risk Management, APA  
Nicole Taylor, Senior Auditor, Auditor of Public Accounts  
Nadia Rogers, CPA, PROC Chair  
Delores King, CPA, PROC member  
Reza Mahbod, CPA, PROC member  
Steve Walls, CPA, PROC member  
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  
Janie Medley, Education Specialist, Virginia Society of Certified Public  
Accountants

**CALL TO ORDER**

Chairman Saunders called the meeting to order at 10:00 a.m.

## **SECURITY BRIEFING**

Ms. Hambright provided the emergency evacuation procedures.

## **REMEMBERING STEPHEN D. HOLTON, CPA**

With very sad news, Ms. Saunders announced the passing of former Board member, Chair, and a great friend to the Board and staff, Steve Holton. A moment of silence was observed in his honor.

## **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 January 28, 2016 agenda as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, and Ms. Kilmer.

## **APPROVAL OF CONSENT AGENDA**

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to approve the January 28, 2016 consent agenda, to include the December 11, 2015 Board meeting minutes as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, and Ms. Kilmer. (Note: Mr. Boshier’s vote was for the consent orders only, as he was not present at the December 11, 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.

## **APA – FY2015 AUDIT UPDATE**

Mr. Savoy led the discussion regarding the upcoming FY2015 audit and informed the Board that he would be the audit manager overseeing the VBOA audit this year. Ms. Taylor will be the in-charge auditor for her second year in a row. He noted the audit period for the VBOA would be July 1, 2014 through June 30, 2015 and would be completed by the end of April 2016. Mr. Savoy provided an overview of the audit engagement, to include APA, Board and staff expectations. Mr. Savoy provided the Board with a copy of the audit engagement memorandum, and inquired as to whether there were any matters the Board would like to address. Mr. Jewell noted Ms. Taylor was very familiar with the VBOA and that he and Ms. Scifres looked forward to working with her again.

## **PEER REVIEW OVERSIGHT COMMITTEE (PROC) UPDATE/PRESENTATION**

Ms. Rogers, PROC Chair, introduced the members of the PROC that were present. Ms. Rogers shared with the Board the PROC had reviewed and evaluated the policies and procedures of the VSCPA and the National Peer Review Committee (NPRC) of the American Institute of Certified Public Accountants (AICPA) for the period of January 1, 2015 through December 31, 2015, as those policies and procedures

relate to the administration of the AICPA Peer Review Program for firms licensed by the VBOA. She noted, based upon the reviews and evaluations done by the PROC, the committee believed peer reviews were being conducted and reported on consistently and in accordance with the Standards for Performing and Reporting on Peer Reviews promulgated by the AICPA Peer Review Board. Based on the reviews and evaluations performed, the Virginia Board of Accountancy may continue to rely upon the VSCPA and the NPRC in carrying out its responsibilities with respect to the licensing requirements of firms licensed by the VBOA. Ms. Rogers noted the PROC would continue to assess and evaluate the policies and procedures of the VSCPA and the NPRC. She provided the annual letter to Board Members, and thanked the Board for allowing her to present the PROC updates.

Upon a motion by Mr. Moyers, and duly seconded, the members voted unanimously to accept the annual letter on the Peer Review Oversight Program as presented. The members voting “AYE” were Ms. Saunders, Mr. Moyers, Mr. Bosher, Mr. Carson, Ms. Ferguson, and Ms. Kilmer.

Ms. Rogers presented an overview of the VSCPA’s Annual Report on Peer Review Program Oversight issued December 29, 2015. Ms. Rogers provided a handout and fielded questions from Board members.

Ms. Rogers also presented an overview of the January 11, 2016 conference call held by NASBA’s Compliance Assurance Committee (CAC). Topics included a report from the CAC’s NPRC representatives, and an update on current CAC projects.

Ms. Saunders thanked the PROC members for their service and attendance.

#### **COMMITTEE/NASBA UPDATES**

There were no updates to the NASBA Ethics Committee.

Ms. Kilmer led the discussion regarding the NASBA Diversity Committee. She confirmed her participation in a committee conference call on January 11, 2016. She indicated some committee members had attended the Accounting Diversity Symposium. She noted the committee would meet for a full working day in April 2016. The committee would reach out to different associations to discuss varied strategies for diversity.

There were no updates to the NASBA CPE Committee.

There were no updates to the NASBA Standard-Setting Advisory Committee.

Ms. Saunders led the discussion regarding the NASBA Communication Committee. She noted a conflict in scheduling and was unable to attend the committee meeting in December 2015. NASBA is currently working with a few state boards to provide assistance in producing a newsletter.

Ms. Saunders led the discussion regarding her role as the NASBA Middle Atlantic Regional Director. She attended a NASBA Board meeting on January 21-22, 2016. She noted the NASBA ALD/CPAverify System (Accountancy Licensee Database) currently had all but five states participating. She indicated NASBA had made the CPE Tracking System upgrades/IT project a top priority due to the high interest from many state boards to participate. Other topics at the NASBA Board meeting included the CGMA designation, CPA Exam modifications, CPA experience requirements, succession planning, mutual recognition agreements and the latest updates to the NC Dental Case.

Mr. Jewell led the discussion regarding the NASBA Executive Director’s Committee. He noted the committee was close to finalizing the agenda for the March 2016 Annual Conference for Executive

Directors and Board Staff, to include a presentation by Ms. Saunders to be moderated by Mr. Jewell on Leadership Training – Engaging Your Board. Mr. Jewell, Ms. Scifres and Ms. Anderson will attend the conference. Ms. Allen will attend NASBA’s Legal Conference held at the same time/place. In addition, Mr. Jewell noted he had been asked to speak at the Legal Conference, and also to oversee the Conference Recognition Luncheon.

**DEPARTMENT OF LABOR PRESENTATION**

Mr. Aron led the discussion regarding the Department of Labor (DOL). Mr. Aron presented and fielded questions from Board members regarding the role of the DOL, the audit process for Employee Benefit Plans (EBP), statistics, and the cooperation between the DOL and state boards.

Mr. Jewell introduced Ms. Germano who shared her views on the state of EBP audits and the work of the VSCPA to address audit competency/deficiency issues.

**RECESS FOR LUNCH 12:00 PM**

**RECONVENE 1:00 PM**

**EXECUTIVE DIRECTOR’S REPORT**

Mr. Jewell presented general updates regarding the VBOA:

- Mr. Jewell summarized his attendance at the VSCPA’s Board meeting held on January 19, 2016.
- Mr. Jewell updated the Board regarding House Bill No’s. 499 and 1388. He noted he would keep the Board apprised of any changes/updates.
- Mr. Jewell updated the Board with the progress in developing the Request for Proposal (RFP) for a new database. He indicated edits should be finalized next week, and approvals from VITA and the Office of Attorney General would be sought. The RFP should be issued in early March. The goal is to have a contract with a vendor by the summer of 2016.
- Mr. Jewell noted he and Ms. Saunders’ participation in a December 2015 NASBA webinar on the "North Carolina Dental Case Decision: Implications for State Boards of Accountancy". Ms. Saunders noted Virginia has strong statutes for CPAs and enforcement cases are very specific.
- Mr. Jewell informed the Board that the January 2016 e-newsletter had been released.

**December 2015 Board Report**

Ms. Charity presented and fielded questions regarding the December 2015 Board Report.

**December 2015 Financial Report**

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

### **Presentation of Draft FY2015 Financial Statements**

Ms. Scifres presented and fielded questions regarding the draft of the FY2015 Financial Statements.

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to accept the FY2015 Financial Statements as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Ms. Kilmer and Mr. Holland.

### **Presentation of Governor’s Budget Bill**

Ms. Scifres presented and fielded questions regarding the Governor’s Budget Bill.

## **BOARD DISCUSSION TOPICS**

### **2015 & 2016 Virginia-Specific Ethics Course Updates**

Mr. Jewell and Ms. Newsom-McCurdy led the discussion regarding the 2015 and 2016 Virginia-Specific Ethics Course updates. She noted the CY2015 course had received positive feedback and would expire on January 31, 2016. Mr. Jewell has completed his review of the CY2016 course materials and is pleased to report that it meets the Board’s requirements. The CY2016 final completion/distribution date is set for March 1, 2016. Mr. Jewell and Ms. Charity will attend the VSCPA’s Train the Trainer session on February 11th.

### **Proposed changes to Board Policy #4 (CPE Guidelines for CPAs)**

Mr. Jewell led the discussion regarding the proposed changes to Board Policy #4 (CPE Guidelines for CPAs). The proposed changes were reviewed with minor edits.

Upon a motion by Mr. Holland, and duly seconded, the members voted unanimously to accept the amended Board Policy #4 (CPE Guidelines for CPAs) as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

Following a thorough and more detailed discussion regarding the proposed changes to Board Policy #4 (CPE Guidelines for CPAs), Board members agreed to revisit potential changes on a future date. The Board directed Mr. Jewell to draft recommended changes to Board Policy #4 for review at the May 6, 2016 Board meeting.

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to withdraw the amended Board Policy #4 (CPE Guidelines for CPAs) as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

### **AICPA/NASBA Exposure Draft response – Retired-CPA status**

Mr. Moyers, Mr. Carson and Mr. Jewell led the discussion regarding the AICPA/NASBA Exposure Draft response to the proposed UAA’s Retired-CPA status. Mr. Jewell, Mr. Moyers and Mr. Carson drafted a letter from the Board in response to the exposure draft. In essence the VBOA believes that the proposed recommendation to add a “Retired-CPA” status to the UAA is a further diminishment of the CPA title, creates additional work for board staff, will be difficult to regulate, is arbitrary and opens the door to controversy, confusion and enforcement issues.

Upon a motion by Mr. Moyers, and duly seconded, the members voted unanimously to approve the AICPA/NASBA Exposure Draft response letter as presented. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

#### **ADDITIONAL ITEMS FOR DISCUSSION**

##### Carry Over Items / Potential Future Topics

- CPE – VBOA/VSCPA discussions
  - Nano Learning
- Retired/Inactive Status
- Single Renewal Date all Virginia Licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Fraudulent Transcripts and CPE Certificates
- Expiring Licensees (Survey)
- Professional Issues/Updates – Board responses
- North Carolina Dental Case
- Review CPA Licensure Experience Requirements

#### **BOARD DISCUSSION TOPICS (Continued)**

##### **AICPA/CIMA Joint Venture Resolution**

Ms. Saunders led the discussion regarding the AICPA/CIMA joint venture resolution regarding the CGMA designation. A hand out was provided. A comprehensive review and discussion was held by Board members with VSCPA members participating.

##### **Sign Conflict of Interest Forms**

##### **Sign Travel Expense Vouchers**

##### **Future Meeting Dates**

May 6, 2016

June 16, 2016 (Annual Planning Meeting)

#### **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, Rebekah Allen, Enforcement Director, and Anna Birkenheier, Assistant Attorney General. The members

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

**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  
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

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

Case #2015-D0007 (*Kilmer & Ferguson*)

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

VOTE:

AYES: Five (5)  
NAYS: None

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Case #2015-U0022 (*Bradshaw & Moyers*)

Upon a motion by Mr. Carson and duly seconded, the members voted unanimously to remand the case to the Enforcement Committee for an Informal Fact-Finding Conference regarding the Respondent's compliance with technical standards in connection with the 2011 attestation engagement referenced in the presiding officer's report as Count 5, and to review the accountant's report to determine the level of service provided.

**CALL FOR VOTE:**

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Abstain  
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

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**BEGIN CLOSED MEETING**

Upon a motion by Mr. Moyers, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately reconvene in a closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to the Board of Accountancy Staff, a matter lawfully exempted from open meeting requirements under the ‘personnel matters’ exemption contained in Virginia Code § 2.2-3711.A.1. The following non-members will be in attendance to reasonably aid the consideration of this topic: Wade A. Jewell, Executive Director. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Boshier, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer.

**END CLOSED MEETING**

Upon a motion by Mr. Moyers, 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:**

Stephanie S. Saunders, CPA – Aye  
Marc B. Moyers, CPA – Aye  
Matthew P. Boshier, Esq. – Not present



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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

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**ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Mr. Holland, and duly seconded, the meeting was adjourned by unanimous vote at 4:30 p.m. The members voting “**AYE**” were Ms. Saunders, Mr. Moyers, Mr. Carson, Ms. Ferguson, Mr. Holland and Ms. Kilmer

**APPROVED:**

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Marc B. Moyers, CPA, Vice Chair

**COPY TESTE:**

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Wade A. Jewell, Executive Director