

accrued interest

Newsletter of the Virginia Board of Accountancy

www.boa.virginia.gov

Winter 2015



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From the chair

Our Board

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Richmond, Va.

Robert J. Cochran, Ph.D., CPA
Vice Chair
Midlothian, Va.

Matthew P. Boshier
Richmond, Va.

James M. "Jim" Holland, CPA
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**Andrea M. Kilmer, CPA,
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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." In this message, I will discuss three recent developments affecting the regulation of CPA firm compliance with our statutes.

Probably the most effective tool available to the VBOA in the regulation of CPA firm compliance is the practice monitoring process commonly referred to as peer review. Peer review has long served both the public interest and the CPA profession as an effective and efficient method of self regulation. But as with many long standing processes, the time

has come for the CPA profession to take a hard look at peer review. The AICPA released a discussion paper last August titled Enhancing Audit Quality. The stated long term goal of this effort is to transform practice monitoring while the stated short term goals include strengthening the existing peer review process. Given the important role peer review plays in ensuring CPA firm compliance with the profession's audit and accounting standards, combined with the VBOA's mission of regulating CPA firm compliance with the Commonwealth's accountancy statutes, the VBOA supports the AICPA efforts. The VBOA Peer Review Oversight Committee is also going through a critique of the peer review program to ensure the continued protection of the citizens of the Commonwealth.

The AICPA Accounting and Review Services Committee has recently issued SSARS #21, which essentially supersedes all existing SSARS guidance. This new SSARS is effective for periods ending after December 15, 2015. The most significant effect of SSARS #21 is the introduction of a new level of service called preparation of financial statements (preparation services). CPAs must comply with SSARS #21 whenever they have been engaged to provide this new service. The VBOA recently voted to seek the inclusion of the preparation services in the Commonwealth's statutes and regulations. The VBOA believes that such inclusion would provide clarity and certainty to our licensees as well as best serve the public interest. We also will attempt to have the statutes changed to require firm licensure for firms providing the preparation services. Additionally, since this new service does not provide any assurance and does not require CPA firms to report on the financial statements being prepared, the VBOA believes the preparation services cannot be restricted to our licensees. We will attempt to have the statutes changed accordingly.

Another change the VBOA will attempt to have made to the Commonwealth's accountancy statutes concerns firm mobility. Currently, our statutes allow firms, which are not required to obtain a Virginia license because their principal place of business is not Virginia, to provide attest or compilation services in Virginia if certain requirements are met. At present, these requirements are less restrictive than the requirements for firms which are required to obtain a Virginia license. The VBOA believes the requirements for all firms providing attest and compilation services in Virginia should be the same.

It continues to be an honor and privilege to serve both the Commonwealth and our great profession as a member of the VBOA. Both the Board and our excellent staff are always available to each of you to address your needs. Please feel free to contact us. We are here to serve you.



W. Barclay Bradshaw, CPA
VBOA Chair

Wade In: from VBOA's director

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CPE, CPE, CPE, CPE . . . and visions of CPE certificates danced in their heads! As a licensed CPA in Virginia, you should be well aware of our CPE requirements in order to maintain your license. I am pleased to report that the vast majority of you do understand the requirements, and we thank you for complying! However, the past two years our statistics show that 18 percent of our licensees are failing their CPE audits. In terms of numbers, that equates to a potential 4,770 Virginia licensees not in compliance with our CPE requirements! We can do better!



Wade A. Jewell
VBOA Executive Director

CPE information is continually made available to licensees in a variety of ways. New licensees are required to sign a certification stating they understand the CPE requirements; we often address CPE-related topics in our newsletters; the Virginia-Specific Ethics Course is used to consistently discuss our requirements; and, on an annual basis, our licensees must certify compliance with CPE requirements as a component of the license renewal process. If a licensee certifies “yes” to CPE compliance during the renewal process and is then found to be CPE deficient this could result in an ethics violation.

Licensees found to be CPE deficient face disciplinary action. Such disciplinary actions may include a reprimand, written essay, requirement to make up CPE deficiencies, fines ranging from \$100 to \$3,000, and license suspension for at least one year, all depending upon the number and/or type of CPE deficiency. Over the past two years, the Board has suspended 18 licenses for CPAs respective deficiencies! Any disciplinary action taken against a Virginia CPA results in a permanent mark on the licensee’s record. I would strongly encourage all Virginia CPAs to re-acclimate themselves to [Virginia’s CPE requirements](#) by visiting our website or calling the Board office at (804) 367-8505.

In this issue of Accrued Interest, we also address several other CPE topics, to include the new Active – CPE Exempt status for licensees who are not performing services to the public or to an employer (see page 8), the new, automated CPE Tracking System that has been made available to all Virginia licensees at no charge (see page 9), and the changes relative to the annual Virginia-Specific Ethics Course beginning in calendar year 2015 (see page 3). These three significant CPE-related topics demonstrate the importance and focus placed on our CPE requirements.

It is the Board’s goal to see all Virginia CPAs become CPE compliant. We will continue to focus on communication and education as it relates to ensuring our Virginia CPAs know and understand their annual CPE requirements. Until I “Wade In” next time, stay warm and enjoy the coming spring!

Virginia-Specific Ethics Course changes in 2015

Starting in 2015, the Virginia Board of Accountancy will put into action an initiative regarding the Virginia-Specific Ethics Course that has been more than a year in the making.

The Virginia Society of CPAs is now the only provider of content/material for the mandatory two-hour Virginia-Specific Ethics Course. Approved sponsors may still teach the annual course, however they must receive the content/material from the VSCPA. Virginia CPAs must take this course annually to maintain their continuing education credits.

The VBOA's Ethics Committee was established to develop and recommend a proposed annual outline for the Virginia-Specific Ethics Course. During discussions about the outline, committee members became aware of the significant differences in content among providers, the quality of presentations and the number of CPE-deficient licensees who took an incorrect ethics course.

"As a result, the Ethics Committee made several recommendations to the Board in September 2013 to include the VBOA approving all Virginia-Specific Ethics Courses, requiring instructors to be practicing CPAs and selecting the VSCPA as the only provider of the content and material for the course (while allowing other individuals/companies the option of purchasing the course from the VSCPA)," explained VBOA Executive Director Wade Jewell.

After discussions at board meetings between September 2013 and April 2014, options and recommendations were brought forth. The decision making the VSCPA the only provider of content/material was approved on April 30, 2014.

Establishing a single provider of content/material for the Virginia-Specific Ethics Course helps ensure the quality and consistency in a course every CPA must take. This change should also increase compliance with the ethics CPE requirement among licensees.

"The Board recognizes that the annual Virginia-Specific Ethics Course is the one opportunity to have the full attention of its licensees," Jewell said. "The Board believes that all licensees will receive a consistent presentation and message, ensuring that all licensees are at least presented the same opportunity to be up-to-date on the issues most important to the Board on an annual basis."

The VSCPA works collaboratively with the VBOA by attending all board meetings, engaging in processes and activities, and being well versed and current on VBOA regulations and rules,



while also working with the General Assembly and Administration on statute and regulatory changes. Updates to statutes and regulations are key components of the Virginia-Specific Ethics Course. The Ethics Committee and the VBOA are historically familiar with the VSCPA's Virginia-Specific Ethics Course's quality material and presentation and their content is already widely utilized and accessible in various formats.

The course must be instructor-led but sponsors may present it in a variety of formats including, but not limited to, live seminars, conference sessions, online self-study, live webcast and webcast replays, on-demand webcast and in-house training.

Sponsors who are interested in providing the 2015 Virginia-Specific Ethics Course must meet the following requirements:

- Obtain the course content/material from the VSCPA
- All instructors of the course must hold an active, in good standing, Virginia CPA license
- Be pre-approved annually by VBOA staff as a provider of this course
- Be listed on the VBOA's website as an approved provider of this course
- Submit all course comments to the VBOA within 60 days of receipt

Currently, the live seminar and content-only versions of the 2015 Virginia-Specific Ethics Course are on schedule to be available March 1, 2015. Beginning in 2015, the VBOA will not accept any Virginia-Specific Ethics Courses completed from a non-approved sponsor and the licensee will be penalized for not completing the approved course.

For more information about the 2015 changes, please contact the VBOA at (804) 367-8505 or boa@boa.virginia.gov.

Resources

- [2015 Sponsor/provider application](#)
- [List of approved sponsors](#)
- [VSCPA frequently asked questions](#)

VBOA news

VBOA Vice Chair named NASBA Middle Atlantic Regional Director

Robert J. Cochran, Ph.D., CPA, was recently named the NASBA Middle Atlantic Regional Director at the November 2014 annual meeting.

Cochran, the VBOA vice chair, wants to assist the Middle Atlantic region and the boards within the region during his year as director. Within the first month, he reached out to each of the boards individually inquiring how he can help them.

Cochran took over the director position from Tyrone E. Dickerson, CPA, a previous VBOA member. "The Virginia Board has significant involvement with NASBA, which is good for Virginia and benefits us," said Cochran.



Robert J. Cochran, Ph.D., CPA
VBOA Vice Chair

His first term on the VBOA will conclude in June 2015 and at that time, he hopes to be reappointed for a second term.

"Being involved in the Virginia board has broadened my perspective a lot," Cochran said. "It's been an opportunity to give back to the profession that I've benefited from greatly."

Cochran began his accounting career at KPMG (Peat Marwick at the time) and spent 15 years in the mortgage industry. He then moved on to academia, something he always wanted to do. He received his doctorate from Virginia Commonwealth University in 2001 and began teaching at the University of Richmond and then Longwood University. He has remained at Longwood for the past 11 years, teaching undergraduate students in a variety of accounting and finance courses.

As an educator, Cochran sees the benefit for his students with his involvement on the state and national level. "It's important for my students to see me being involved in the profession in a different way."

Other VBOA appointees to 2014-15 NASBA committees include:

Barclay Bradshaw: Regulatory Response Committee

Robert Cochran: Education Committee, Chair

Relations with Member Boards Committee

Andrea Kilmer: Legislative Support Committee

Stephanie Saunders: Communications Committee

Marc Moyers: Ethics Committee

Jim Holland: Ethics Committee

Wade Jewell: Executive Directors Committee

It was only seven years ago that Cochran started getting involved in the profession in a different way outside the classroom when he joined the Virginia Society of CPAs Ethics Committee. He was then appointed to the VBOA three years ago and started taking an active role on the national level with NASBA in 2013.

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VBOA news

Virginia Governor names new Board member

Virginia Gov. Terry McAuliffe named Matthew P. Boshier the newest member of the Virginia Board of Accountancy in late summer 2014.

Boshier, of Richmond, is a litigation partner with Hunton & Williams. His practice focuses on financial reporting and accounting matters. He has represented accounting firms and individual accountants in many SEC investigations and private lawsuits and has extensive experience dealing with accounting principles and professional standards.

“I was honored and excited to be appointed,” Boshier said. “Accountants, accounting principles and financial statements are central to my law practice, so I have been interested in the Board’s work for many years.”

Boshier frequently advises companies regarding internal controls and corporate governance best practices, and has authored articles on matters that impact public companies and the accounting profession.

“This is a particularly important time for the accounting profession,” said Boshier. “Public confidence in the financial markets has deteriorated in recent years and I believe accountants are critical to restoring and promoting trust in business. I take very seriously the Board’s responsibility of ensuring CPAs in Virginia are properly trained and adhere to the high ethical standards of the profession.”

He was also named to the 2014 class of “Leaders in the Law” by Virginia Lawyers Media, the publisher of Virginia Lawyers Weekly and has an active pro bono practice representing individuals wrongfully convicted of serious crimes.

Boshier joins the seven-member VBOA and fills the vacant Public Member position Dave Brat left in the spring of 2014.



Matthew P. Boshier
VBOA Public Member

VBOA Vice Chair named NASBA Middle Atlantic Regional director

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He was appointed to the NASBA Education Committee and currently serves as chair, while also being a member of the Relations with Member Boards Committee

“My professional goal is to create CPAs,” Cochran said. “I want to introduce students to the profession so they truly understand what it offers.”

VBOA news

VBOA raises funds for local food bank

Throughout the fall of 2014, the Virginia Board of Accountancy raised money for the Central Virginia Food Bank through the Commonwealth of Virginia Campaign (CVC).

For the past two years, the Virginia Governor's Office held the "Governor's Bowl," a competition where state agencies collected pounds of food per capita. Winners were determined based on the highest total pounds collected, divided by the number of employees in each agency. In 2012 and 2013, the VBOA were awarded winners of the "Governor's Bowl."

Even though there was no formal competition in 2014, the VBOA still wanted to give back to the local food bank.

They held their annual event: a raffle, silent auction and yard sale, in the staff office building. The daylong event raised \$800 auctioned off with items such as purses, a watch, water park tickets and a beach rental in the Outer Banks.

The money raised, along with 20 pounds of nonperishable food, was donated directly to the food bank.

The VBOA accepted other monetary donations during the fall months as well, including online donations through the organization's website.

In total the VBOA donated \$2,290, which translates to 11,450 meals for the Central Virginia Food Bank. Every \$1 received equals five meals of food that will go to a local family in need.



AICPA reaches membership milestone

The AICPA recently surpassed a membership milestone of 400,000, an increase of almost 13 percent in the last 10 years and 25 percent since 1994. The continuous growth highlights the solid value and vitality of the AICPA and the CPA accounting profession.

The professional organization provides continuing education, a framework of ethical standards, technical guidance on accounting and auditing, and professional advocacy on accounting issues for the profession and the public.

"Hitting the 400,000-member mark is a testament to the multifaceted services offered by the AICPA and its commitment to the public interest," said AICPA President and CEO Barry Melancon, CPA, CGMA. "And it's also a reflection of the high regard in which the CPA credential is held in today's complex world."

VBOA news

Revised AICPA code of conduct released

The revised American Institute of CPAs (AICPA) Code of Professional Conduct went into effect Dec. 15, 2014, with rules reorganized based on practice type.

The AICPA's Professional Ethics Executive Committee (PEEC) approved the revisions Jan. 28. While the substance of the previous rules remains intact, the revised Code of Professional Conduct is split into four main parts, with each part containing topics applicable to each of the following respective practice areas:

- Preface
- Members in public practice
- Members in business
- Other members

The most substantive change is the incorporation of a conceptual framework approach emphasizing threat assessment and potential safeguards. The revised Code of Professional Conduct also contains highlighted non-authoritative guidance.

The revised Code of Professional Conduct is available free at pub.aicpa.org/codeofconduct.

Launch of online GAAP education information

The Financial Accounting Foundation launched a new website focused on the benefits of Generally Accepted Accounting Principles, or GAAP, to public companies, private companies, not-for-profit organizations, and state and local governments in the U.S.

This educational portal is part of a broader initiative by the Foundation to highlight the benefits of preparing financial reports according to GAAP.

This initiative explores the benefits of using GAAP and also seeks to educate and inform all stakeholders—including preparers, investors, lenders, auditors, taxpayers, and other users—on how GAAP is essential to the efficient functioning of our capital markets and the strengthening of our economy and governments.

The website is available at www.accountingfoundation.org/gaap.

Proposed changes to Board policies

During the Jan. 8, 2015 meeting, the Board proposed minor changes to four of their current policies. The text changes on Policy #1, #2, #4 and #8 can be viewed on the [VBOA website](#). The Board plans to vote on these changes during the April 30 meeting.

Questions or comments can be sent to VBOA Communications Manager Kelli Anderson at (804) 367-1586 or at kelli.anderson@boa.virginia.gov at least two weeks prior to the April Board meeting.

New Active – CPE Exempt status brings questions

In July 2014, the Virginia Board of Accountancy began accepting applications for a new licensee status, Active – CPE Exempt. Active – CPE Exempt offers CPAs the option to maintain their license even though they aren't providing services to an employer or to the public.

This status is mandatory for CPAs not wishing to pursue or continue with continuing professional education (CPE) hours. A change in status requires approval first by the VBOA through an application process, including submission of a company bio/resume and job description, if currently employed when applying for the status change. Retirees who are not providing services must also apply in order to avoid taking CPE.

CPAs who qualify for this status will be allowed to renew their license annually by paying the renewal fee and continue to use the CPA title, but will not need to fulfill CPE requirements. A licensee can apply for the Active – CPE Exempt status immediately upon a change in working status that qualifies for this exemption.

Since the launch of the new Active – CPE Exempt status, VBOA has received more than 1,000 applications from CPAs, with 746 approved.

However, there has been some confusion on qualifying for this new status as well as the use of the CPA title by licensees. Per Board Regulation 18VAC5-22-40, **"...holding a Virginia license constitutes using the CPA title."**

Therefore, not using the CPA title does not automatically exempt a licensee from CPE requirements. A licensee can only be considered Active – CPE Exempt if he or she 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).

Types of jobs/job titles*	
Generally qualify for status	Denied for status
<ul style="list-style-type: none"> Retired CPA Not employed Missionary Teacher (non-accounting) Medical doctor Stay at home parent President/CEO of large company 	<ul style="list-style-type: none"> Chief financial officer (CFO) Tax attorney Director of finance Comptroller/Controller Accountant Budget analyst/Manager Accounting professor
*Job titles are not always indicative of approval or denial of status.	

CPAs who have not been approved for the Active – CPE Exempt status must retain the current CPE requirements. If a licensee has fallen short on the required CPE, the VBOA expects the individual to self-report any deficiencies. If denied for the Active – CPE Status, you have the opportunity to appeal the decision to the VBOA according to [Board Policy #9](#).

A licensee with the Active – CPE Exempt status must request reinstatement of the Active status, if they begin to provide services to an employer or to the public, from the Board prior to beginning relevant services. A licensee must obtain at least 120 hours of CPE, including the Virginia-Specific Ethics Course. CPE obtained during the three calendar years prior to the current calendar year and from the start of the current calendar year to when the licensee begins providing the services shall be considered in determining whether the licensee has complied with the CPE requirements.

Apply for this status online using the [Change of License Status Request Form: Active to Active – CPE Exempt](#).

For more information on what constitutes providing services to an employer or to the public, visit the Code of Virginia [§ 54.1-4400](#) Definitions and [18VAC5-22-40](#), call the VBOA office at (804) 367-8505 or visit the website at www.boa.virginia.gov.

Attention: CPAs not approved for the Active – CPE Exempt status must comply with CPE requirements.

CPE Tracking

In October 2014, the Virginia Board of Accountancy partnered with NASBA on the launch of a new, automated tracking system for continuing professional education credits.

The new system, CPE Tracking, is a service available to all Virginia CPAs and offers licensees the ability to track and record their own earned CPE credits. CPE Tracking creates a viable history with automated tracking, which will not only help VBOA allocate its resources in the most efficient manner, but also ease the CPE management workload required for Virginia CPAs.

Below are some frequently asked questions already received regarding the new online system. These might help clear up some initial confusion.

Do you have to use CPE Tracking?

If you are selected for a CPE audit by the VBOA, you are required to use the online system to enter your CPE information. However, if not selected, CPE Tracking is voluntary and can be used to track your CPE credits easily.

Using CPE Tracking will not increase your chances for being randomly selected for an audit.

Even if you are not selected for a CPE audit, you are encouraged to start using the tracking system to enter your certificates and credits.

What happens if I'm selected for an audit?

It is mandatory to use CPE Tracking if you are selected for an audit and you must enter all your CPE records for the appropriate years into the system.

How will the VBOA use the information contained in the CPE records?

The information you enter into CPE Tracking will not be used unless you are selected for an audit and it will not be used to determine whether or not you will be audited. Your information is not visible to the public.

Can I upload one PDF with all my certificates and credits?



frequently asked QUESTIONS

No, you must enter each certificate of completion and each course manually and separately into the system, attaching documentation (a copy of the certificate or a computerized report) for each. While this will take time to load all CPE credits initially, maintaining your CPE records in the tracking system will become more manageable if you enter credits as taken.

What is the fee to use CPE Tracking?

CPE Tracking is offered free of charge to all actively licensed CPAs in Virginia.

If I'm a member of the Virginia Society of CPAs, will they enter my credits for me?

The VSCPA is transferring over only coursework you completed through the VSCPA the last four years, excluding coursework completed through the VSCPA's online education partners such as ACPEN, CPA Crossings, Surgent McCoy, K2 Enterprises, etc.

They are not transferring all your records for you. Each individual CPA is responsible for entering the remaining courses themselves.

Will the VSCPA be entering my records if I'm licensed in a state other than Virginia?

No, the VSCPA will not be uploading CPE records into CPE Tracking for CPAs licensed outside of Virginia.

If you still have questions regarding CPE Tracking, feel free to contact Christine Rappe, VBOA CPE Coordinator, at christine.rappe@boa.virginia.gov or (804) 367-1568.

VBOA visits the College of William & Mary



Left to right, Board members Matthew Boshier, Jim Holland, Stephanie Saunders, Bob Cochran, Barclay Bradshaw, Marc Moyers, Andrea Kilmer and Executive Director Wade Jewell during the meeting.

On Thursday, Nov. 13, 2014, the Virginia Board of Accountancy held their November Board meeting on the campus of the College of William & Mary, in Williamsburg, Va. Once a year, a Board meeting is held on a different college campus in the Commonwealth. In previous years, the Board has traveled to Longwood University, University of Richmond, Virginia State University, Old Dominion University and Virginia Commonwealth University.

The night before the meeting the VBOA Board and staff hosted a meet and greet reception for William & Mary students, faculty and staff. The students who attended had the opportunity to meet staff members who were able to answer questions about CPA exam requirements.



Keynote speaker Nancy Baganoff



VBOA Executive Director Wade Jewell

The next day Miller Hall, the home of the Raymond A. Mason School of Business, served as the backdrop to the regulatory meeting. Nancy Baganoff, dean of the University of Richmond Robins School of Business, served as the keynote speaker, while Dr. Phil Shane, William & Mary Accounting Department Chair, and Linda Espahbodi, the Masters of Accounting Program Director from William & Mary contributed to the discussion on the "Future of Learning."



VBOA staff members Patti Hambricht, center, and Nicholas Tazza, right, speak to a student during the VBOA reception.

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. 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.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Gregory J. Cooley	5485	Charlottesville, Va.	Due professional care - conflict of interest	11/13/14	§ 54.1-4413.3 (3) and IRS Circular 230

Consent Order

Cooley violated the Code of Virginia by failing to provide due professional care to his client and for failing to maintain objectivity and freedom from conflicts of interest in discharging professional responsibilities and inappropriately subordinating judgment to others. He also violated IRS Circular 230, subsection 10.28 by failing to provide his client with copies of his clients' files in that a practitioner must, at the request of a client, promptly return any and all records of the client that are necessary for the client to comply with his or her federal tax obligations.

Based on the violations, Cooley agreed to be reprimanded for failing to provide due professional care in the performance of professional services to his client and for failing to follow IRS Circular 230. He also agreed to: (1) pay a monetary penalty of \$5,000; (2) reimburse the VBOA \$1,000 for the investigation of this matter; and (3) submit to the Board proof of completion of 20 CPE certificates of completion in Circular 230 by Sept. 30, 2015. Cooley understands that failure to comply with all provisions of this Consent Order within the required time frame as noted above shall result in the automatic suspension of his CPA license.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Jon B. Deane	6018	Herndon, Va.	Due professional care - conflict of interest; CPE deficiency	8/18/14	§ 54.1-4413.3 (3) and IRS Circular 230

Final Order

Deane violated the Standards of Conduct and Practice by failing to correctly file his client's returns by filing "Married filing separately" without prior consultation by his client's wife, causing her to incur substantial debt to the IRS and the Virginia Department of Taxation.

The Board ordered Deane to be reprimanded for failing to avoid a conflict of interest in the preparation and filing of a clients' tax returns and failing to communicate adequately. Deane shall pay a monetary penalty of \$25,000 for the violations of conflict of interest, failure to communicate with his clients and due professional care. For failure to meet the annual hours of CPE, Deane shall pay a monetary penalty of \$250 and provide the Board with proof of CPE compliance for the subsequent three years. He must also submit a 1,000 word essay regarding conflicts of interest as it relates to CPAs. Deane understands that failure to comply with all terms and conditions of this Final Order shall result in the automatic suspension of his CPA license.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
Roy F. Goggin, Jr.	5737	Fairfax, Va.	Practicing with expired license; Use of the CPA title	8/12/14	§ 54.1-4414, § 54.1-4409.1, § 54.1-4412.1 and § 54.1-111

Consent Order

Goggin violated the Code of Virginia by representing himself on business letterhead and billing statements as a CPA during the time his CPA license was expired. Goggin's CPA license expired on Jan. 31, 2003.

Based on the violations, Goggin agreed to: (1) not practice as a CPA in the Commonwealth until the VBOA grants reinstatement; (2) remove all signage, to include business cards, letterhead, email signatures, resumes, newspaper, internet ads, all social media and software with the CPA designation on it; (3) pay a monetary penalty of \$1,000 for the unlicensed use of the CPA designation; and (4) reimburse the VBOA \$500 for the investigation of this matter. Goggin understands that completion of all the terms and conditions of this Consent Order are required prior to the consideration of any application for reinstatement.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Karen A. Kitching	20592	Fairfax, Va.	Practicing with expired license; Use of the CPA title	11/13/14	§ 54.1-4414, § 54.1-4409.1 and § 54.1-111

Consent Order

Kitching violated the Code of Virginia by using the CPA designation in her signature block of her university email address and by hanging her wall certificate in her office without a valid CPA license. Kitching's CPA license expired on Nov. 30, 2007.

Based on the violations, Kitching agreed to: (1) not practice as a CPA in the Commonwealth unless she is duly licensed as a CPA by the VBOA; (2) pay a monetary penalty of \$1,000 for the unlicensed use of the CPA designation during the time her license had been expired; (3) reimburse the VBOA \$500 for the investigation of this matter; and (4) submit a 1,000 word essay to the Board on the requirements of licensure as an individual CPA. Kitching understands that completion of all the terms and conditions of this Consent Order are required prior to the consideration of any application for reinstatement of her expired CPA license.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
James V. Poti	3823	Midlothian, Va.	Failing to follow the Code of Professional Conduct	11/13/14	§ 54.1-4413.3 (4), (5) and (6)

Consent Order

Poti violated the Code of Virginia by failing to follow the Code of Professional Conduct, and the related interpretive guidance, issued by the AICPA, or any successor standard-setting authorities and by failing to follow the technical standards, and the related interpretive guidance, issued by committees and boards of the AICPA that are designated by the Council of the AICPA to promulgate technical standards, or that are issued by any successor standard-setting authorities and by failing to follow the standards, and the related interpretive guidance, as applicable under the circumstances, issued by the Comptroller General of the United States, the Federal Accounting Standards Advisory Board, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Public Company Accounting Oversight Board, the U.S. Securities and Exchange Commission, comparable international standard-setting authorities, or any successor standard-setting authorities. This failure resulted in an allowance for loan and lease losses (ALLL) audit documentation deficiency.

Based on the violations, Poti agreed to be reprimanded for the allowance for loan and lease losses (ALLL) audit documentation deficiency and for the violation of the Code of Virginia. He also agreed to: (1) pay a monetary penalty of \$25,000 for the documentation deficiency; and (2) reimburse the VBOA \$1,000 for the investigation of this matter. Poti understands that failure to complete all terms and conditions of this Consent Order may result in the automatic suspension of his CPA license.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Noah Wesley Pughsley	15550	Roanoke, Va.	Failing to follow the Code of Professional Conduct	11/13/14	§ 54.1-4413.3 (4), (5) and (6) and AICPA Rule 202, 203 and 501

Consent Order

Pughsley violated the Code of Virginia by failing to follow the Code of Professional Conduct, and the related interpretive guidance, issued by the AICPA, or any successor standard-setting authorities and by failing to follow the technical standards, and the related interpretive guidance, issued by committees and boards of the AICPA that are designated by the Council of the AICPA to promulgate technical standards, or that are issued by any successor standard-setting authorities, and by failing to follow the standards, and the related interpretive guidance, as applicable under the circumstances, issued by the Comptroller General of the United States, the Federal Accounting Standards Advisory Board, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Public Company Accounting Oversight Board, the U.S. Securities and Exchange Commission, comparable international standard-setting authorities, or any successor standard-setting authorities. This failure resulted in a violation of AICPA Rule 202 regarding Compliance with Standards. In addition, Pughsley violated AICPA's Rule 203 regarding Accounting Principles and Rule 501 regarding acts discreditable in that he misrepresented his practice and as a result an appropriate peer review was not performed.

Based on the violations, Pughsley agreed to the following: (1) be reprimanded for the violations of § 54.1-4413.3 (4), (5) and (6) of the Code of Virginia and AICPA Rule 202, 203 and 501; (2) pay a monetary penalty of \$5,000; (3) reimburse the VBOA \$1,000 for the investigation of this matter; and (4) provide proof of completion of all directives by the AICPA's ECA as referenced in the signed Settlement Agreement. Pughsley understands that failure to complete all terms and conditions of this Consent Order may result in the automatic suspension of his CPA license.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
Patricia S. Reed	11881	Springfield, Va.	Practicing with expired license; Use of the CPA title	10/7/14	§ 54.1-4414, § 54.1-4409.1 and § 54.1-111

Consent Order

Reed violated the Code of Virginia in using the CPA title on the IRS PTIN application in 2012 and 2013, and on seven 2848 Power of Attorney forms for various years without a valid CPA license. Reed's CPA license expired on Sept. 30, 1995.

Based on the violations, Reed agreed to: (1) not practice as a CPA in the Commonwealth until the VBOA grants reinstatement; (2) remove all signage, to include business cards, letterhead, email signatures, resumes, company bios, newspaper, internet ads, all social media and software with the CPA designation on it; (3) submit a 1,000 word essay to the Board encompassing the requirements to be licensed as a CPA in Virginia; (4) pay a monetary penalty of \$10,000 for the unlicensed use of the CPA designation during the time her license had been expired; and (5) reimburse the VBOA \$500 for the investigation of this matter. Ms. Reed understands that completion of all the terms and conditions of this Consent Order are required prior to the consideration of any application for reinstatement of her expired CPA license.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Dennis Roberts	6368	Haymarket, Va.	Practicing with expired license; Use of the CPA title	11/13/14	§ 54.1-4414, § 54.1-4409.1 and § 54.1-111

Consent Order

Roberts violated the Code of Virginia in that he allowed himself to be referenced as a CPA in the bio of his company's website and in a press release without a valid CPA license. Robert's CPA license expired on Sept. 30, 1998.

Based on the violations, Roberts agreed to: (1) not practice as a CPA in the Commonwealth unless he is duly licensed as a CPA by the VBOA; (2) pay a monetary penalty of \$1,000 for the unlicensed use of the CPA designation during the time his license was expired; and (3) reimburse the VBOA \$500 for the investigation of this matter. Roberts understands that completion of all the terms and conditions of this Consent Order are required prior to the consideration of any application for reinstatement of his expired CPA license.

Board Disciplinary Actions

Suspensions and revocations

Name	License number	City, State	Violation	Date	Authority
Quinton Earl Yancey	7971	Stephens City, Va.	Due professional care	10/7/14	§ 54.1-4413.3 (1), (2) and (3)

Final Order

Yancey violated the Standards of Conduct and Practice by failing to provide due professional care to his client by preparing and filing the IRS 706-NA form without appraisal or any supportive valuation documents; failing to provide data of deductible items to support claimed deductions; failing to obtain a U.S. Taxpayer Identification Number; failing to timely advise the complainant of the need to file a non-resident income tax return in order to claim a refund and failing to retain or to provide the complainant with a copy of the fully signed and filed estate tax return.

The Board ordered Yancey's CPA license to be suspended for one year, pay a monetary penalty of \$5,000 for the lack of acceptance of responsibility of his staff's performance and failing to provide due professional care to his client. He must also submit proof of satisfactory completion of 20 hours of CPE in Circular 230 and 20 hours of CPE in Practice Management, which will not count toward the current year's annual CPE requirements. Yancey understands that any application for reinstatement for his CPA license after the one year suspension shall be subject to the completion of all terms and conditions of the Final Order and shall require Yancey to come before the Board prior to reinstatement.

Note on Monetary Penalties

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

Until next time...



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

Kelli L. Anderson

Communications Manager

Phone: (804) 367-1586

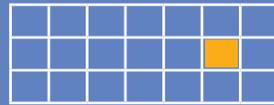
Fax: (804) 527-4409

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

- Thursday, February 26 (enforcement only)
- Thursday, April 30
- Thursday, May 21
- Tuesday, June 30

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 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 online](#) on the VBOA website.