

Final/Approved for January 8, 2015  
**THE VIRGINIA BOARD OF ACCOUNTANCY**

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The Virginia Board of Accountancy (VBOA) met on Thursday, January 8, 2015 in Board Room #3 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

**MEMBERS PRESENT:** W. Barclay Bradshaw, CPA, Chair  
Robert J. Cochran, Ph.D., CPA, Vice Chair  
Matthew P. Boshier, Esq.  
Andrea M. Kilmer, CPA  
Stephanie S. Saunders, CPA

**MEMBER PRESENT FOR  
A PORTION OF THE  
MEETING:** James M. "Jim" Holland, CPA

**MEMBER ABSENT:** Marc B. Moyers, 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  
Kelli Anderson, Communications Manager  
Jean Grant, Enforcement Manager  
Patti Hambright, CPE/Peer Review Coordinator/Administrative Assistant  
Juán-Pabló González, Examination Coordinator

**MEMBERS OF THE  
PUBLIC PRESENT:** Nadia Rogers, CPA, Peer Review Oversight Committee, Chair  
Delores King, CPA, Peer Review Oversight Committee Member  
Reza Mahbod, CPA, Peer Review Oversight Committee Member  
Steve Walls, CPA, Peer Review Oversight Committee Member  
Zach Borgerding, Director, Reporting & Standards, Auditor of  
Public Accounts  
Nicole Taylor, Senior Auditor, Auditor of Public Accounts  
Maureen Dingus, CAE, Executive Vice President, Virginia Society  
of Certified Public Accountants  
Emily Walker, Government Affairs Director, Virginia Society of  
Certified Public Accountants  
Linda Newsom-McCurdy, Education Director, Virginia Society of  
Certified Public Accountants  
Darshae Dabney, Technical Services Specialist, Virginia Society of  
Certified Public Accountants  
Thomas Nesbitt, Esq.

**CALL TO ORDER**

W. Barclay Bradshaw, CPA, Chair called the meeting to order at 10:00 a.m.

**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. Kilmer, and duly seconded, the members voted unanimously to approve the January 8, 2015 agenda. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Ms. Kilmer, and Ms. Saunders.

**APPROVAL OF CONSENT AGENDA**

Upon a motion by Ms Kilmer, and duly seconded, the members voted unanimously to approve the January 8, 2015 consent agenda, to include the November 13, 2014 Board meeting minutes and consent orders as presented. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Ms. Kilmer, and Ms. Saunders.

**PUBLIC COMMENT PERIOD**

Mr. Bradshaw invited members of the public to introduce themselves and provide comments. Introductions were made. No comments were provided at this time.

**OPENING REMARKS**

Mr. Bradshaw offered congratulations to VSCPA President & CEO Stephanie Peters for receiving the CEO Award of Excellence by the Virginia Society of Association Executives (VSAE) on December 5, 2014.

Mr. Bradshaw expressed the Board’s deep sorrow for the loss of Dr. William “Bill” C. Boshier, Jr.

**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, 2014 through December 31, 2014, 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. Ms. Rogers noted at least one member of the PROC attended four out of the five meetings held this year by the VSCPA. The meeting dates were: February 7, 2014; June 9, 2014; September 19, 2014; and December 5, 2014. Each

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meeting included a committee member evaluation of policies and procedures of the VSCPA and the AICPA by comparison to actions taken at the attended meeting. These actions included the use of standardized AICPA materials, making sure results of each review were appropriately and consistently applied, an assessment of peer reviewer qualifications and ability to properly complete assigned reviews, appropriate resolution of issues by technical reviewers, review team captains and VSCPA Committee members as well as independent acceptance or other resolution of a report acceptance body (RAB) of VSCPA members independent of engagement technical reviewers. Further, the PROC reviewed the report issued by the NPRC dated October 31, 2014 that provided statistical information regarding Peer Reviews and information about the NPRC's 2013, 2012 and 2011 oversight years. The PROC also reviewed the letter issued by Ray, Foley, Hensley & Company, PLLC dated October 10, 2014 that covered the administrative oversight review of the NPRC for calendar year December 31, 2013. The letter did not indicate any findings that required a written response, but did note one observation regarding a time lag between dates of receipt of workpapers from team captains to the date the reviews were assigned to technical reviewers. All reviews were ultimately timely considered by the RABs. The NPRC evaluated this observation and stated that it will continue to assess opportunities to improve the timeliness of the technical review process. 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. Mr. Jewell and Ms. Rogers plan to review Board Policy #7 and provide the Board with any necessary updates. Mr. Bradshaw noted that the North Carolina Board publicly reports the findings of peer review reports, and that the Virginia PROC may consider providing policy recommendations on reporting peer review results to the public, especially failed results, and that the PROC may also consider commenting on AICPA peer review related exposure drafts. Ms. Rogers noted the committee would be happy to help. She provided the annual letter to Board Members, and thanked the Board for allowing her to present the PROC updates. Mr. Bradshaw thanked the PROC members for their service and attendance.

### APA – FY2014 AUDIT UPDATE

Mr. Borgerding led the discussion regarding the upcoming FY2014 audit. He noted the audit period for the VBOA would be July 1, 2013 through June 30, 2014. He noted the audit would be completed by mid-February 2015 and the report should be available in March 2015. Mr. Borgerding noted the overall audit objective is to express an opinion on the financial statements and consider internal controls over financial reporting as well as compliance with certain provisions of laws, regulations, contracts and grant agreements. The audit scope would include cash, revenues, expenditures, fixed assets, accruals and systems. The audit report would include the auditor's opinion on the Board of Accountancy's financial statements and a report on internal controls. No opinion is provided for internal controls. The APA's interest related to fraud would be how it may affect the financial statements and those controls that the financial statements rely upon. The audit is not designed to detect error or fraud that is immaterial to the financial statements. Mr. Borgerding provided the Board with a handout and inquired as to whether there were any matters the Board would like to address. Mr. Bradshaw noted he would value the APA's input on the new Government Accounting Standards Board (GASB) Statement #68 as to pension plans and its impact on the VBOA's financial statements for the fiscal year ending June 30, 2015. Mr. Borgerding noted he would research this and try to provide detail regarding this matter. Mr. Jewell noted Mr. Borgerding was very familiar with the VBOA as he had performed the annual audits in 2009 and 2010.

### COMMITTEE/NASBA UPDATES

Mr. Bradshaw led the discussion regarding the NASBA Regulatory Response Committee. He noted this was a new assignment, and he was looking forward to serving on the committee.

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Ms. Kilmer led the discussion regarding the NASBA Legislative Support Committee. She noted during the past meeting and conference call the committee had focused on the development of legislative strategies to enhance Boards of Accountancy effectiveness and to develop a network to assist in carrying out such strategies. She noted all Boards would be receiving an email encouraging the widespread sharing of useful state and federal relationships that could be helpful to other Boards.

Ms. Saunders led the discussion regarding the NASBA Communications Committee. She noted a meeting was held on November 3, 2014 during NASBA's Annual Meeting, and a meeting was being held today at noon. Ms. Saunders noted the state of Wyoming was in need of CPAs.

Mr. Bradshaw noted NASBA Ethics Committee representative Mr. Holland was not in attendance, but was expected to arrive later in the day. Mr. Jewell noted Mr. Moyers is currently in Dallas, Texas attending the NASBA Ethics Committee meeting.

Dr. Cochran led the discussion regarding the NASBA Education Committee. He noted he attended a December 2014 meeting in Nashville, Tennessee. NASBA President and CEO Ken L. Bishop and Walter C. Davenport, NASBA, Chair addressed the meeting. Dr. Cochran noted the education model is changing drastically. The Western Governors University is granting college credit for experience. The Committee feels this undermines NASBA's 3 Es; education, examination and experience and noted many state Boards are not in support. In addition, massive online courses (MOOCs) are being offered for college credit. As State Boards of Accountancy we rely on the accreditation received by educational institutions. A subcommittee has been created to look into accreditation practices. Dr. Cochran noted historically that students at Longwood are not encouraged to take principles of accounting until their sophomore year in college. If taken too early the coursework is not retained and many students perform poorly in Intermediate Accounting I and drop out of the program. The concern with advanced placement courses taught at the high school level and counting as principles of accounting at the college level leaves an extended period with little or no accounting courses and introduces students to intermediate accounting as their first college level accounting course. The committee plans to follow the advancement of high school placement tests and the possibility of exempting students from taking principles of accounting courses at the college entry level. Additionally, accounting advance placement courses are historically not taught by CPAs and the courses may be rigorous. Dr. Cochran also noted recently a 17 year old candidate with no formal education had recently been issued a CPA license in the State of California. Dr. Cochran reiterated the concern of undermining NASBA's 3 Es and maintaining the integrity of the accounting profession. Mr. Jewell noted that while MOOCs should be of concern and looked at carefully, during the November 2014 Board meeting held at the College of William & Mary, speaker Dr. Bagranoff had been impressed with the high quality of one MOOC that she taken/completed.

Dr. Cochran noted the first NASBA Relations with Member Boards Committee meeting would be held January 22, 2015.

Dr. Cochran led the discussion regarding NASBA updates as the Middle Atlantic Regional Director. The NASBA board meeting was held on October 31, 2014. NASBA's net assets had increased to \$35 million. NASBA feels the growing net assets are needed in the event the AICPA is unable to create the CPA examination and, as required by contract, NASBA would then be required to create the exam. Dr. Cochran noted the CPA inactive status had different meanings depending on the state in which the status was held. He provided the Washington State Board as an example. Washington State allows the inactive status CPA to do anything a non-CPA can do, for example; taxes. Virginia does not have an inactive

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licensee status. Mr. Bradshaw noted having Dr. Cochran on the NASBA Board was of great benefit to Virginia's Board.

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. Mr. Jewell noted both the Executive Directors/Staff Conference and the Legal Counsel Conferences will be held March 24<sup>th</sup> – 26<sup>th</sup> in Tampa, Florida. Mr. Jewell, Ms. Scifres and Ms. Anderson plan to attend the Executive Directors/Staff Conference. Mr. Jewell is working with Ms. Anderson in preparing a 30 minute presentation on Communications for the upcoming conference. The presentation will include both current and upcoming VBOA projects. Ms. Birkenheier plans to attend the Legal Counsel Conference.

### EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented general updates regarding the VBOA:

- Mr. Jewell noted the AICPA would issue Exposure Drafts regarding CPA examination content in the fall of 2015. The AICPA is currently looking at the examination content. The consensus of many boards is that the CPA examination content should be based on the knowledge a college graduate has obtained and not that of an individual with a year or more of accounting experience. Dr. Cochran agreed the examination should be geared towards students with an accounting major. Dr. Cochran noted the Education Committee and educators in general prefer the examination educational requirement to be 150 semester hours of college education and not 120 semester hours, thus maintaining the integrity of the profession.
- Mr. Jewell met with the VSCPA for their quarterly meeting on December 9, 2014 in regards to the status of proposed legislative changes, policies, and the 2015 Virginia-Specific Ethics Course.
- Mr. Jewell noted January 20, 2015 as CPA Assembly Day at the Virginia State Capitol and encouraged all CPAs to attend. He noted Dr. Cochran had attended previously, and Ms. Saunders would be attending on the 20<sup>th</sup>.
- Mr. Jewell noted he had participated in The Digital Rewind Conference for the VSCPA on December 16, 2014. The conference was geared as a review for currently relevant topics that have surfaced throughout the year. Ms. Newsom-McCurdy noted evaluations had closed and the conference was a success.
- Mr. Jewell welcomed Juan-Pablo González as the new examination coordinator for the VBOA. Mr. Jewell noted Mr. González' responsibilities would include evaluating college transcripts to determine a candidate's educational eligibility in sitting for the CPA examination and that eventually Mr. González will be providing phone support.
- Mr. Jewell noted interviews for the Enforcement Director position were completed, with a decision to be made in the near future. Mr. Frank Trainor, Staff Attorney for the North Carolina State Board of Accountancy, assisted with the first round of interviews, while Mr. Bradshaw, Ms. Scifres and Ms. Charity assisted with interviews during the second round. Mr. Jewell handled the third and final round of interviews. Mr. Jewell anticipates the start date for the Enforcement Director position as early February 2015.
- Mr. Jewell stated the new IT position was still in the developmental stage.
- Mr. Jewell noted the NASBA CPE Tracking System went live in mid-October and is going well. The majority of complaints received thus far involve the system being time consuming. Mr. Jewell noted initially bringing the CPA's CPE record up-to-date does involve time. Mr. Jewell noted that if licensees would enter CPE as they are taken, the process would be much easier. Mr. Boshier inquired as to whether the NASBA CPE Tracking System was geared to work with other systems in loading CPE. Many firms invest a great deal of time and money in maintaining CPE records. Mr. Jewell noted currently CPAs are able to upload a firm spreadsheet and record CPE.

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In the future the CPE Tracking System will work with outside vendors. Ms Kilmer noted that as a test subject initially entering all CPE was cumbersome; however, she stressed maintaining the CPE record in the CPE Tracking System and not waiting until you are selected for a CPE audit.

- Mr. Jewell updated the Board that NASBA is making progress in developing the Request For Proposal (RFP) template for a “generic” licensing database with a goal date of March 2015. Tennessee, Nebraska, Idaho, Montana and Virginia are working with NASBA in developing the RFP. Mr. Jewell will also begin working with Ms. Scifres and Ms. Charity to complete Virginia’s RFP over the next few months.
- Mr. Jewell led the discussion regarding firm mobility and financial statement preparation services statute changes submitted to the Administration for consideration. The proposed bill was approved by the Administration, and the sponsor of the bill will be Senator George Barker. Mr. Jewell noted he would attend all committee meetings and confer with Mr. Bradshaw as necessary. Mr. Bradshaw noted the necessity of having preparation services addressed in the accountancy statutes and the need for preparation services to be subject to peer review.
- Mr. Jewell noted the VBOA’s January e-newsletter Accrued Interest was expected to be released next week.

### Active-CPE Exempt Status Update & Application Process

Ms. Charity reported 1,083 applications had been received for the new Active-CPE Exempt Status. Of the 1,083, applications, 746 applicants had been approved to receive the Active-CPE Exempt Status. Of the 746 licensees receiving the Active-CPE Exempt Status, 569 are either retired or not employed and 177 of the applicants are employed. 337 applications have been denied. 43 applicants have requested an appeal after initially being denied the Active – CPE Exempt Status. Mr. Jewell noted in a few cases the CPA chose to voluntarily surrender the CPA license if required to obtain CPE. Ms. Kilmer noted the Board is here to protect the public and if there is any doubt, the CPA must take CPE. The Board agreed to discuss further the process for review/approval at the May planning meeting.

### November 2014 Board & Financial Reports

Ms. Charity presented and fielded questions regarding the November 2014 Board Report. Ms. Charity noted the audits pending review backlog was due in part to CPAs becoming familiar with the new NASBA CPE Tracking tool. Additionally, Ms. Charity noted complaints had increased a small amount. Ms. Kilmer inquired as to specifically what is considered a complaint. Mr. Jewell noted everything enforcement directly deals with is considered a complaint. CPE deficiency is not considered a complaint. Mr. Bradshaw noted FY ending June 30, 2014 had 971 CPE audits selected and 171 of the 971 CPE audits failed. He expressed that an 18% failure rate is not acceptable. Ms. Charity noted the number one reason for audit failure was deficiency of the 2-hour Virginia-Specific Ethics Course, often combined with other deficiencies. Discussion ensued as to how to better communicate with CPAs regarding their CPE requirements.

Ms. Scifres presented and fielded questions regarding the November 2014 Financial Report. Ms. Scifres commented that relative to page 4 of the Financial Report (revenues), license renewal and other fees received during the Thanksgiving holidays were posted in December.

### FY2014 Financial Statements

Ms. Scifres reported the VBOA had contracted with the CPA firm Dixon Hughes Goodman to insure that the Board’s financial statements comply with GASB. Ms. Scifres presented an overview of the draft

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Financial Statements. Following the comprehensive review and discussion, upon a motion by Ms. Saunders and duly seconded, the members voted unanimously to accept the draft Financial Statements as presented. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Ms. Kilmer, and Ms. Saunders. Mr. Jewell thanked Ms. Scifres for her work in improving and overseeing the agency internal/financial controls and financial statement preparation.

### **RECESS FOR BOARD LUNCH 12:00**

### **RECONVENE 1:00**

### **BOARD DISCUSSION TOPICS**

#### **AICPA – Financial Statement Preparation Services & Evolving the CPA Profession’s Peer Review Program for the Future**

Mr. Bradshaw led the discussion regarding the AICPA Financial Statement Preparation Services & Evolving the CPA Profession’s Peer Review Program for the Future. The Financial Statement Preparation Services topic was addressed by Mr. Jewell during the General Updates portion of the meeting. In relation to peer review, Mr. Bradshaw noted there have recently been a total of 4 documents issued by the AICPA involving peer review. The AICPA’s Enhancing Audit Quality discussion paper sought input from all stakeholders involved with financial statement audits of private companies, not-for-profit organizations, employee benefit plans and governmental entities. Comments were due November 7, 2014. The AICPA sought to address the higher risk with low volume auditors, evaluate firms engaged in new industries promptly, and to address the quality of peer reviewers, among many other audit quality objectives. The AICPA is working to develop the next generation of peer review with real-time feedback. Firms with consecutive failed peer reviews would have increased sanctions and/or potentially be dropped from the program. The need to improve engagement tracking is being addressed. The AICPA is working to ensure all firms involved with audit and attestation work be enrolled in peer review. Mr. Bradshaw noted two AICPA exposure drafts of the AICPA Peer Review Board had closed on January 2, 2015: Proposed changes to the AICPA Standards for Performing and Reporting on Peer Reviews – Preparation of Financial Statements Performed under SSARS and the Impact on Enrollment in and the Scope of Peer Review and Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews – Peer Reviewer Performance, Disagreements and Qualifications. The fourth and final document issued by the AICPA also looks at peer reviewers: Evolving the CPA Profession’s Peer Review Program for the Future. The new guidance would require more education and CPE for peer reviewers. Also, the new guidance reduces the time in removing inadequate peer reviewers from the program. Mr. Bradshaw noted the AICPA Peer Review Program is dedicated to enhancing the quality of accounting, auditing and attestation services. The program is designed to enhance audit quality with the responsibility of making sure firms are doing what they are supposed to be doing through the monitoring process. It is obvious change is coming to peer review.

#### **2015 Virginia-Specific Ethics Course Update**

Ms. Newsom-McCurdy led the discussion regarding the 2015 Virginia-Specific Ethics Course update. She noted the course is being reviewed by three technical reviewers. In addition, the course will be called the *Virginia CPA Ethics 2015 Required Course*. She noted the VSCPA is developing a resource center on their website. Ms. Newsom-McCurdy noted the video content is in production and will be available for sale by March 1, 2015. Two outside companies have requested to purchase the content for re-sale. Purchasers will sign letters of agreement regarding distribution. When discussing the process for other sponsors/providers, Ms. Newsome-McCurdy noted historically by the end of October of each year there

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are generally no additional purchases. Mr. Jewell noted the application for sponsors' had been developed, and the Board's website would begin listing approved sponsors soon. Ms. Charity noted there had been two applications received by sponsors. Ms. Newsom-McCurdy noted the first in-house course would be offered on March 6, 2015, and the first webcast on March 19, 2015.

**PUBLIC COMMENT PERIOD, continued**

Mr. Thomas Nesbitt introduced himself as counsel for Dae C. Kim, a respondent to a complaint. He thanked the Board for this opportunity to express his opinions regarding the Presiding Officer's recommendation regarding the enforcement case for his client. Mr. Nesbitt opined that although he respected the recommendation made by the enforcement committee, he would like the Board to consider reducing the proposed monetary penalty and to improve his client's ability to apply for a firm license. Mr. Nesbitt noted his attendance was not to ask that his client not be held accountable but rather he was requesting the Board craft an order in line with past disciplinary actions. Mr. Nesbitt noted his client should not have treaded in this particular area and had received beneficial knowledge at the Informal Fact Finding (IFF) hearing. Mr. Bradshaw thanked Mr. Nesbitt for his comments.

**BOARD DISCUSSION TOPICS, continued**

**Review of Board Policies (#1 - #9)**

Mr. Jewell led the discussion in the review of Board policies. He noted the Board Agenda had been posted in mid-December to reflect the review of policies at this meeting. Regarding Board Policy #1 - Trust Account - Mr. Jewell recommended in the second paragraph, first sentence the word "operating" be added following the word "maintain." The sentence now reads: It shall be the policy of the Board to maintain operating funds equal to approximately three months of the operating budget.

Regarding Board Policy #2 - Sponsors Providing CPE - Mr. Jewell recommended replacing the word "should" with the word "may" in the last sentence of the first paragraph. The recommended change reads: Therefore, no sponsor may provide the annual ethics course later than January 31 for the previous calendar year. Paragraph two, the first sentence has been revised to read: The Board has approved the Virginia Society of CPAs (VSCPA) as the only provider of content/material for the Virginia-Specific Ethics Course. A new paragraph three has been added, and with Board revisions the recommended change is: 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, live webcast and webcast replays, on-demand webcast and in-house training. Additionally, the fourth bullet point under "Sponsors desiring to provide the Virginia-Specific Ethics Course must:" now reads: Submit all course and evaluation comments to the Board within 60 days of receipt.

Regarding Board Policy #3 - Substantially Equivalent Jurisdictions - Mr. Jewell recommended no changes.

Regarding Board Policy #4 – Continuing Professional Education (CPE) Guidelines - Mr. Jewell recommended replacing the word "should" with the word "may" in the second sentence in the second paragraph under Virginia-Specific Ethics Course. The revised sentence would read: Therefore, no sponsor may provide the annual ethics course later than January 31 for the previous calendar year. Additionally, the first sentence of the next paragraph has been revised to read: The Board has approved the Virginia Society of CPAs (VSCPA) as the only provider of content/material for the Virginia-Specific Ethics Course. A new paragraph is recommended to follow, which states: The course must be instructor-led but may be presented in a variety of different formats including, but not limited to, live seminars, conference

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sessions, online self-study, live webcast and webcast replays, on-demand webcast and in-house training. Additionally, page two, fifth bullet, has been revised to read: Producing Written Materials. The topic must be relevant to CPAs providing services to the public or an employer. The material is formally reviewed by an independent party and must be published in a book, magazine or similar publication. Page three, the third sentence under CPE Compliance Reviews now reads: If selected, licensees will be required to submit acceptable CPE documentation to verify compliance through a means determined by the Board. Also, page three, the fourth bullet under CPE Documentation Requirements now reads: Copy of Published Article, Book or Written Material (or proof of publication) when producing written material relevant to CPAs who provide services to the public or to an employer. Page four, third paragraph under CPE Violations, the third sentence has been revised to read: It is the policy of the VBOA that such waivers or deferrals generally be considered only in situations resulting from extreme medical hardship or active military deployment.

Regarding Board Policy #5 - Publication of Board Disciplinary Action - Mr. Jewell recommended no changes.

Regarding Board Policy #6 - CPA and International Qualification Examination - Mr. Jewell recommended no changes.

Regarding Board Policy #7 - Peer Review Oversight Committee - Mr. Jewell recommended no changes at this time. However, Mr. Jewell and Ms. Rogers will revisit Board Policy #7 for potential updates.

Regarding Board Policy #8 - Ethics Committee - Mr. Jewell recommended updating (I) (D) to read: Reviewing the pricing structure for the VSCPA's Virginia-Specific Ethics Course content/material, and making comments and/or recommendations for Board consideration.

Regarding Board Policy #9 - Active - CPE Exempt Status Procedure for Approval/Denial/Appeal – Mr. Jewell recommended no changes.

Mr. Boshier noted Board Policies #2, #4 and #8 contained repetition and the Board should look into consolidation. Mr. Holland noted the recommended changes to Board Policy should be made available on the VBOA website. After discussion regarding whether the Board should publish proposed policy changes prior to formal approval/implementation, the Board agreed to publish the proposed changes in the newsletter and home page of the website. Mr. Jewell noted that the proposed changes and public comments would be presented for Board approval at the April meeting. Mr. Boshier suggested the proposed policy changes should reflect the before and after updates. Mr. Jewell agreed to provide the public with all changes.

**ADDITIONAL ITEMS FOR DISCUSSION**

**Carry Over Items / Potential Future Topics**

Approval of proposed changes to Board policies / consolidation of Board policies

Mr. Bradshaw noted the Board would consider public comment to proposed Board policy changes and vote on changes at the April Board meeting. Board staff will present recommendations for policy consolidations at the May planning meeting.

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Active – CPE Exempt Status Update

Mr. Bradshaw noted further discussion regarding the Active-CPE Exempt Status would be beneficial, to include a review of the approval/denial/appeal process and case studies. The Board agreed to add this to the May planning meeting agenda.

PROC – Policy on reporting Peer Review results to the Enforcement Committee

Based on Mr. Bradshaw’s recommendations from earlier in the meeting, Mr. Jewell noted the PROC would add this to their agenda topics and present a recommendation to the Board. Mr. Jewell will coordinate a meeting with the PROC and Mr. Moyers, most likely to be held following tax season.

Background checks for licensees

Background checks for licensees remain a carryover item. Ms. Kilmer suggested reviewing the policies of other State Boards of Accountancy and discussing this topic at the May planning meeting.

Enforcement – Records Retention

The Enforcement - Records Retention topic remains a carryover item.

CPE- VBOA/VSCPA Discussions

The CPE – VBOA/VSCPA topic remains a carryover item.

**Sign Conflict of Interest Forms**

**Sign Travel Expense Vouchers**

**Future Meeting Dates**

Thursday, February 26, 2015 - Enforcement only meeting (if necessary)

Thursday, April 30, 2015

Thursday, May 21, 2015 – Annual Planning Meeting

Tuesday, June 30, 2015

**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 to consult with legal counsel on issues relating to probable litigation and consider the status of all open Enforcement Cases and cases listed on our agenda, matters 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, Jean Grant, Enforcement Manager, and Anna Birkenheier, Assistant Attorney General. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Bosher, Mr. Holland, Ms. Kilmer, and Ms. Saunders.

**END CLOSED MEETING**

Upon a motion by Mr. Bradshaw, 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 – Aye  
Robert J. Cochran, Ph.D., CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
James M. “Jim” Holland, CPA – Aye  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Aye

**VOTE:**

AYES: Six (6)  
NAYS: None

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

**Case #2014-CPE-0010 (*Saunders & Kilmer*)**

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

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

**CALL FOR VOTE:**

W. Barclay Bradshaw, CPA – Aye  
Robert J. Cochran, Ph.D., CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
James M. “Jim” Holland, CPA – Aye  
Andrea M. Kilmer, CPA – Abstain  
Stephanie S. Saunders, CPA – Abstain

**VOTE**

AYES: Four (4)  
NAYS: None.

Case #2014-D0014

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

**CALL FOR VOTE:**

W. Barclay Bradshaw, CPA – Aye  
Robert J. Cochran, Ph.D., CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
James M. “Jim” Holland, CPA – Aye  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Aye

**VOTE:**

AYES: Six (6)  
NAYS: None

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

Mr. Bradshaw and Ms. Saunders were absent and did not participate in the discussion or subsequent vote.

Upon a motion by Dr. Cochran and duly seconded, the members voted unanimously to defer the 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  
Stephanie S. Saunders, CPA – Abstain

**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 4:10 p.m. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, and Ms. Saunders.

**APPROVED:**

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W. Barclay Bradshaw, CPA, Chair

**COPY TESTE:**

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Wade A. Jewell, Executive Director