

FINAL/Approved for April 30, 2015
THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Thursday, April 30, 2015 in Training Room #1 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.
James M. “Jim” Holland, CPA
Andrea M. Kilmer, CPA
Marc B. Moyers, CPA
Stephanie S. Saunders, CPA

LEGAL COUNSEL: Anna Birkenheier, Assistant Attorney General

STAFF PRESENT: Wade A. Jewell, Executive Director
Chantal K. Scifres, Deputy Director
Mary T. Charity, Director of Operations
Mark Bong, Enforcement Director
Kelli Anderson, Communications Manager
Jean Grant, Enforcement Manager
Patti Hambright, CPE/Peer Review Coordinator/Administrative Assistant
Krystal D. Hambright, Administrative Assistant

MEMBERS OF THE PUBLIC PRESENT: Tyrone E. Dickerson, CPA, Former Member & Past Chair, Virginia Board of Accountancy
Zach Borgerding, Director, Reporting & Standards, APA
Nicole Taylor, Senior Auditor, APA
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants
Amy Mawyer, Vice President, Strategy and Development, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants
Darshae Dabney, Technical Services Specialist, Virginia Society of Certified Public Accountants
Roy Peters, CPA, Northstar Academy, Director of Finance & Operations

CALL TO ORDER

W. Barclay Bradshaw, CPA, Chair called the meeting to order at 10:05 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

Mr. Jewell noted Board Order 2014-D0026 had been removed from the agenda. Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the agenda as amended. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

APPROVAL OF MINUTES

Upon a motion by Mr. Moyers, and duly seconded by Mr. Holland, the members voted to approve the February 19, 2015 Board meeting minutes. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, and Mr. Holland. Three members, Mr. Moyers, Ms. Kilmer and Ms. Saunders, abstained (not present at meeting).

PUBLIC COMMENT PERIOD

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

APA FY2014 AUDIT UPDATES

Zach Borgerding, Director, Reporting Standards, Auditor of Public Accounts (APA) led the discussion regarding the results of the annual FY2014 audit. He noted the overall audit objective was 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. He noted the audit was not designed to detect error or fraud that is immaterial to the financial statements. The audit period encompassed July 1, 2013 through June 30, 2014. Mr. Borgerding reported the APA has concluded its FY2014 audit and reported no findings. Mr. Borgerding reported that the audit went smoothly noting the financial statements were presented fairly in all material respect, no internal control findings required management’s attention, and there were no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Mr. Borgerding gave a brief overview of the Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting & Financial Reporting for Pensions* and fielded questions from Board members. Mr. Jewell noted the VBOA had previously retained the services of Dixon Hughes Goodman, LLP for their accounting expertise and would continue with their services to assist the Board in maintaining compliance with the implementation of GASB 68. Mr. Jewell thanked Ms. Scifres for her behind-the-scenes work, ensuring the APA FY2014 audit was a success. Mr. Borgerding noted the conscientiousness work of Mr. Jewell and Ms. Scifres had made the FY2014 audit compliance a much easier task. Mr. Jewell thanked Mr. Borgerding and Ms. Taylor for their professionalism and approach to the FY2014 audit.

VBOA & NASBA COMMITTEE REPORTS

Mr. Bradshaw led the discussion regarding the NASBA Regulatory Response Committee. He noted he was unable to participate in the April 15, 2015 conference call but was looking forward to the next call scheduled in a few weeks. He felt the committee would be very productive.

Ms. Kilmer had no updates to report regarding the NASBA Legislative Support Committee.

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Ms. Saunders led the discussion regarding the NASBA Communications Committee. She noted meetings were held the second Thursday of each month but was unable to attend the April 8, 2015 meeting. She attended a February committee meeting in Tampa, Florida. Ms. Saunders encouraged everyone to visit the NASBA website which contains pertinent information. NASBA recently produced a public service announcement encouraging individuals to become CPAs in Wyoming. She plans to attend the NASBA Eastern Regional meeting in Baltimore, Maryland from June 24, 2015 through June 26, 2015, to attend the Communications Committee breakfast. She noted Mr. Jewell would be presenting the new whiteboard video, which had been a huge success at the NASBA Executive Director and Staff Conference held March 24 – March 26 in Tampa, Florida.

Mr. Moyers led the discussion regarding the NASBA Ethics Committee. He attended the January meeting held in Dallas, Texas, stating the committee had a lot to focus on including exposure drafts and the code of conduct. He noted there had been a few phone calls with questions regarding exposure drafts. He also noted an increased focus on policies and guidelines related to succession planning and client record retention for small practitioners. The AICPA is working to develop a handbook to deal with these issues, particularly when there is an unexpected event such as death, disability or incarceration of a practitioner.

Dr. Cochran led the discussion regarding the NASBA Education Committee. Dr. Cochran noted the committee had met on April 20, 2015 to review 13 grant applications received. Eight of the 13 grants were eliminated promptly due to the inadequate quality of the grant proposals. In an effort to improve grant quality the Committee will allow proposals to go in as early as August of this year. The Committee is hopeful that in providing additional time for the completion of grant applications that this will increase the quality. The Committee is also looking at the curriculum of international students and what would encourage these students to sit for the CPA examination. The Committee is reviewing the Association to Advance Collegiate Schools of Business (AACSB) accreditation and whether or not this accreditation helps students achieve passing scores when taking the CPA examination. Another issue is relative to college credit for experience. Concerns have been raised about the Western Governors University granting college credit for experience (competency based learning for college credit). NASBA staff is in discussions with the University. While the University offers a good quality program, Ken Bishop, President and CEO of NASBA, discussed the need for monitoring these programs and others like it to ensure high quality. Dr. Cochran noted the University of Phoenix's student enrollment was down 50%.

Dr. Cochran led the discussion regarding the Relations with Member Boards Committee. The Committee's first meeting was held on January 22, 2015. The Committee discussed and reviewed the voting procedures for the nominating committee.

Dr. Cochran, as Middle Atlantic Regional Director, led the discussion regarding NASBA updates. Dr. Cochran attended the NASBA Board of Directors meeting held in Asheville, North Carolina March 23 – March 24, 2015. He noted Mr. Bishop of NASBA discussed the Western Governors University and their competency based credit program. NASBA is in the process of remodeling their Nashville office. NASBA presented their Administrative and Financial reports. NASBA indicated as part of their financials a reserve is maintained as part of an agreement with the AICPA in case, for any reason, the AICPA is unable to perform their duties as it relates to the CPA examination. If such a scenario is presented then NASBA would step in and take over those responsibilities. It was also discussed as to whether or not by laws should be changed for regional directors. At this time all regional directors must be members of their State Board of Accountancy at the time of the Annual Business Meeting or within six months of completion of their term on the state board at that time. Board Members at Large do not have this issue.

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Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. Mr. Jewell noted both the Executive Directors/Staff and the Legal Counsel Conferences were held March 24th – 26th in Tampa, Florida. Mr. Jewell, Ms. Scifres, Ms. Anderson, Mr. Bong and Ms. Birkenheier attended the conferences. Mr. Jewell noted the conferences were well attended. The first day of the ED/Staff Conference included Board & Society Relations – Success Stories, along with other numerous discussion topics. The breakout session with approximately 20 State Society CEOs in attendance received high marks. It was noted it had probably been 20 years since the last time state boards and their state societies had jointly met. On the second day of the conference Mr. Jewell and Ms. Peters made a presentation on the NASBA CPE Tracking Tool. Other topics throughout the conference included: U.S. Supreme Court Decision in Antitrust Case, Board Nomination Process & Diversity, Impact of Marijuana Laws, Strength in Numbers: Advancing our Profession through Cooperation, Enhancing Audit Quality – Present & Future, Practice Monitoring of the Future, CPE Audit Services, Federal Agency Referrals and a NASBA Technology Update. Mr. Jewell and Ms. Anderson's communications and whiteboard video presentation on Virginia's new Active-CPE Exempt Status received one of the top two highest marks in ratings from conference attendees. Mr. Jewell noted the session covering the impact of marijuana laws on the CPA profession was another well received topic. Mr. Jewell asked attendees of the conferences to summarize their experiences. Ms. Anderson interjected she was new to the industry and the conference was a great experience. She felt the communication she established with NASBA was very successful and enjoyed meeting the personnel. Mr. Jewell noted NASBA was so impressed with the whiteboard video presentation by Ms. Anderson and himself that they have purchased software to assist in the production of future whiteboard projects. Ms. Anderson noted NASBA had already begun a draft of Virginia's next whiteboard project. The draft completion date is expected next week. Ms. Anderson noted the finished product by NASBA would resemble the whiteboard video regarding the Active-CPE Exempt Status demonstrated at the conference. Mr. Jewell noted the production would entail general Board information and statistics. Ms. Scifres noted this was her third NASBA Executive Directors/Staff Conference and with each conference the topics continued to be more informative than the last. Mr. Bong, Enforcement Manager, found the Legal Conference to be very insightful. The discussions regarding processes, case work interactions, investigative procedures, display of data and practice implications were very beneficial. Ms. Birkenheier, Assistant Attorney General, noted this was her second year of attendance and found the discussions with comparative themes very useful and thought-provoking. Mr. Jewell noted several years ago he submitted a document suggesting NASBA create and/or improve the Executive Director's database. The wide range of information regarding state boards is available; however, the information is in various locations and needs to be pulled together to a centralized database. Mr. Jewell noted he presented the document at the Executive Director's conference in closed session and it had been approved by all state boards. Mr. Jewell also noted NASBA recognized Mr. Jim Holland for connection to the NASBA Ethics Committee in a recent article in the Chesterfield Observer newspaper.

Mr. Jewell led the discussion regarding the NASBA Committee Request Forms. He noted forms were due yesterday but if any submissions had been delayed by Board members he would be happy to assist in seeing them submitted.

Mr. Jewell led the discussion regarding the NASBA Call for Nominations for Board of Directors. Mr. Jewell noted Dr. Cochran had expressed interest in continuing to serve as NASBA Middle-Atlantic Regional Director and Tyrone E. Dickerson, CPA, Former Member and Past Chair of the VBOA, had expressed interest in serving as a Director-At-Large. Mr. Dickerson noted he would greatly appreciate the Board's support, and also shared that the nominating committee no longer required the solicitation of multiple Boards for support, and that this was a relief. Mr. Dickerson noted a letter had gone out yesterday from NASBA with his signature to look at diversity. He noted diversity respects differences and expands knowledge.

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Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to instruct Mr. Jewell to send letters of support on behalf of Dr. Cochran for Middle Atlantic Regional Director and Mr. Dickerson for a NASBA At-Large Director. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

EXECUTIVE DIRECTOR’S REPORT

Mr. Jewell presented general updates regarding the VBOA:

- Mr. Jewell noted the NASBA Eastern Regional Meeting would be held June 24 through June 26, 2015 in Baltimore, Maryland. At this time Mr. Jewell and Mr. Boshier plan to attend. Ms. Saunders was interested in attending. Ms. Kilmer may attend as well, if her schedule permits. Mr. Jewell noted if anyone else was interested in attending to please let him know.
- Mr. Jewell noted the NASBA PROC (Peer Review Oversight Committee) Summit would be held July 10, 2015 in Nashville, TN. Mr. Jewell along with Nadia Rogers, CPA, PROC Chair, and Steve Walls, CPA, PROC Committee Member will attend. Ms. Rogers will participate in a panel discussion.
- Mr. Jewell noted he was nominated by the committee to Chair the NASBA Executive Directors Committee for 2016. Mr. Jewell noted the commitment would involve approximately 20 trips to NASBA meetings during the year. Mr. Jewell noted he felt comfortable that with the outstanding VBOA staff and the one year commitment it would not interfere with his responsibilities to the Board.
- Mr. Jewell noted the AICPA plans to release an Exposure Draft regarding the proposed, new CPA examination content in October of 2015. In addition, the AICPA is looking to use Microsoft Excel as the exclusive tool used during the examination. It was also recommended to remove black out testing months so that candidates would be able to test in all months of the year. After much consideration the consensus was the AICPA would need a minimum of 2 to 3 weeks each quarter for an exam refresh and “clean up” period. Additional changes discussed included allowing candidates to sit for the same examination section twice in each quarter. This requires further discussion as test results must be posted prior to a candidate rescheduling an examination.
- Mr. Jewell met with the VSCPA on March 30 for their quarterly update. Mr. Jewell noted he and Ms. Saunders attended the VSCPA Board meeting April 29, 2015. Topics included a presentation from the AICPA on Enhancing Audit Quality and the focus on peer review. Mr. Jewell noted the VSCPA annual Awards Ceremony would be held May 11. Mr. Bradshaw and Mr. Jewell plan to attend the ceremony. Also, the VSCPA Educator’s Symposium would be held June 4, 2015. Mr. Jewell also noted the VSCPA Annual Virtual Professional Update regarding the VBOA would be held in late July.
- Mr. Jewell noted the examination coordinator position was once again vacant. The position was readvertised and had closed on Tuesday, April 28, 2015. The responsibilities would include evaluating college transcripts to determine a candidate’s educational eligibility in sitting for the CPA examination.
- Mr. Jewell stated the new IT position would be posted within the next week or two.
- Mr. Jewell noted the NASBA CPE Tracking System was going well. The majority of complaints received thus far involve the system being time consuming, particularly as it relates to attaching the CPE certificate for documentation. Mr. Jewell also noted an increase in the number of licensees not meeting the deadline to submit their documentation, and also licensees not submitting all CPE certificates until after their consent order had been mailed out. At that time licensees are contacting the Board and wanting to submit additional certificates. This causes staff workload to double. The certificates must be re-reviewed and a new consent order created and

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issued. Mr. Bradshaw suggested this must change immediately and inquired as to the number of times the licensee is contacted for certificate submittal prior to receiving the consent order. Ms. Charity noted as many as four. Ms. Kilmer noted, as the VBOA test subject, if licensees would enter CPE as they are taken, the process would be much easier and less time consuming. The VSCPA noted if the Virginia-Specific Ethics Course is taken through them it is automatically uploaded to the NASBA CPE Tracking system.

- Mr. Jewell demonstrated the Active-CPE Exempt Status video for Board members. Ms. Charity noted applications for the new status had decreased significantly. Ms. Charity noted 1,288 Active-CPE Exempt status applications have been received. Of those 1,288 applications, 667 licensees are either not employed or retired and have received the status. Additionally, 213 applications containing job descriptions have received the new status, and 408 applications have been denied the status. There have been 83 application appeals; 74 appeals were denied and 6 overturned. At this time 3 appeals are pending.
- Mr. Jewell noted next week was employee appreciation week and the VBOA had several activities planned for staff.
- Ms. Charity reported once the Department of Labor (DOL) listing had been condensed to remove duplicated firms performing ERISA audits, the report contained 394 firms. Of those 394 firms, 155 firms were licensed in Virginia and 142 were enrolled in peer review, 13 firms were not enrolled in peer review, and 239 firms are not licensed in Virginia. Mr. Bradshaw noted 13 firms performing audits without peer review was unacceptable. Ms. Kilmer noted the DOL report was from 2011.
- Mr. Jewell noted he had attended a roundtable discussion regarding accounting and diversity in Williamsburg, VA on April 23rd and 24th. The discussion was hosted by Linda Espahbodi (former MACC Program Director at William & Mary University) and her husband, an accounting professor at Washburn University in Kansas, and Prof. Tom White from William & Mary University. The discussion group included individuals from the big four accounting firms, representation from the AICPA, the PCAOB and NASBA, smaller firms and university professors. Ms. Espahbodi encouraged input regarding the marketing strategy for up and coming accounting students. She noted the number of accounting students taking the CPA Exam had tapered off and there needed to be a new marketing strategy with a fresh approach exposing students to the many opportunities accounting provides. There are more diverse areas and direction available for accounting professionals now than ever before. She noted more scholarships were needed for minority students and a new accounting curriculum needed that would bridge current accounting courses. She noted professional mentors offering encouragement and guidance needed to be available to accounting students. Ms. Kilmer noted when an accounting degree is earned, the student should satisfy the requirements to sit for the CPA Examination. A student does not need the surprise of needing additional courses in order to qualify to sit for the CPA exam after spending four years in college. She noted she was working closely with Old Dominion University on this issue. Mr. Holland noted Chesterfield County had 13 high schools and at some of those high schools there were no opportunities for students to take accounting courses. He also noted when students were exposed to accounting at an early age there is an outstanding success rate. Mr. Holland agreed with the need for scholarships and mentoring.
- Mr. Jewell stated that staff had revised the VBOA's Reinstatement Application per changes recommended by Mr. Bradshaw. Additional changes were forthcoming after a review by Mr. Bong.
- Mr. Jewell recognized Ms. Kilmer for her recent Lifetime Achievement Award presented by Beta Alpha Psi at Old Dominion University

March 2014 Board & Financial Reports

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

Ms. Charity presented and fielded questions regarding the March 2015 Board Report. To date, 839 licensees had been selected for a CPE audit; 420 of those audits resulted in compliance, 159 resulted in deficiencies and 260 of those CPE audits are open pending review. Ms. Charity noted the rising number of unresponsive licensees or those that want to make changes once they receive a consent order, creating a duplicated workload for staff and resulting in the number of pending review cases. Mr. Bradshaw inquired as to the number of times the licensee is contacted for submittal of CPE certificates before the consent order is offered. Ms. Charity noted as many as four contact attempts are made. Ms. Charity also noted that during the tax season if a CPA is chosen for CPE audit they are given until May 30 to provide documentation. Mr. Bradshaw noted 27% of licensees have failed their CPE audits for the year. Mr. Bradshaw noted the need to increase audits and that the failure rate was unacceptable. Ms. Charity noted the most common deficiency among licensed CPAs is the required annual 2-hour Virginia-Specific Ethics Course. The VBOA will monitor results to see if the new Ethics Course requirements have a positive impact on this failure rate.

CPE Credit: Enrolled Agent & Certified Accounts Payable Associate Certifications

Ms. Charity led the discussion regarding CPAs earning CPE for Enrolled Agent and Certified Accounts Payable Associate Certifications (CAPA). Ms. Kilmer inquired as to whether or not the CAPA certification required an examination. Ms. Charity noted the test consisted of 100 multiple choice questions with a 70% passing score. Mr. Bradshaw suggested Mr. Jewell and Ms. Charity weigh in with their suggestions on CPE for both certifications and suggested in the future staff review certifications for potential CPE awarded. After much discussion by Board members, the Board agreed no CPE would be earned for completing the CAPA certification as the Board has already approved 20 CPE for the Certified Accounts Payable Professional (CAPP) certification, and 20 CPE would be earned for passing the three-part examination for Enrolled Agent Certification.

Following the comprehensive review and discussion, upon a motion by Dr. Cochran and duly seconded, the members voted unanimously in support of rewarding 20 CPE for passing the Enrolled Agent Certification. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

Enforcement Update

Mr. Bong led the discussion regarding the enforcement updates. Mr. Bong noted that as a result of the recent Supreme Court decision regarding licensure and enforcement issues in North Carolina, and discussions in Tampa at the NASBA Legal Conference, he had made revisions to the enforcement notification process for unlicensed activity, to include changing the terminology from Cease and Desist to “refrain”. The language would now include a notice of apparent violation letter and investigative questionnaire and, based on the responses received, then a Notice of Determination requesting the non-licensee to refrain from providing services that require CPA licensure, and/or from using the CPA title. Mr. Bong also noted the language on the VBOA website had been updated, replacing cease and desist with refrain. He noted investigative reports had been formatted to include a questionnaire for investigations and the investigative summary report had been updated. Mr. Bong noted the implementation of the Lexis Nexis Accurint investigative tool. The service would begin on May 1, 2015. Additionally, the BellesLuce press clipping and media monitoring service with online access to current media contacts, broadcast and web news sources will begin on May 1, 2015. Mr. Bong noted the

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assembly of an investigative manual with SOP's and GO's, including checklists for each allegation type to assist in investigations, was in process. He noted having a written standard operations manual is a protective measure. Mr. Boshier inquired as to the retention of records obtained through Lexis Nexis Accurint and who would have access to the reports. Mr. Bong noted records would be retained with the investigative file until destruction, and that he would be the designated person in the department to have access.

RECESS FOR BOARD LUNCH 12:45

RECONVENE 1:20

BOARD DISCUSSION TOPICS

2015 Legislation Update

Mr. Jewell led the discussion regarding the 2015 legislation update. He noted the general assembly and Governor had approved the bill updating the firm mobility language and adding the term financial statement preparation service. The effective date is July 1, 2015.

2015 Virginia-Specific Ethics Course Update

Ms. Mawyer, Vice President, Strategy and Development, VSCPA, led the discussion regarding the 2015 Virginia-Specific Ethics Course update. She noted all formats for taking the required Virginia-Specific Ethics Course was available through the VSCPA. She noted there had been a few questions and confusion over the interpretation of instructor led self-study course and the role of the VSCPA as the only content provider. Ms. Mawyer suggested changing the language from content provider to content developer. She noted the Virginia-Specific Ethics Course completion certificate is automatically uploaded to the NASBA CPE Tracking Tool when taken through the VSCPA by licensees. Ms. Charity noted that comments received to date were between 4.3 and 4.9 on a 5.0 scale. She also noted there had been comments regarding webcast audio problems. Ms. Mawyer noted ceiling microphones were being added and the webcast will be re-recorded on 5-28-2015. Ms. Charity noted 15 sponsors and 26 instructors had been approved regarding the 2015 Virginia-Specific Ethics Course. All sponsors and instructors are listed on the VBOA website. Mr. Jewell noted the July issue of the newsletter *Accrued Interest* would contain information regarding the updates to the Virginia-Specific Ethics Course in hopes of clarifying any questions licensees may have.

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

Mr. Jewell led the discussion regarding the review of existing Board Policies #1 through #9. Mr. Bradshaw noted he had compared his notes and the policies are as the Board discussed previously. Mr. Moyers asked if the policies should be updated to reflect the VSCPA as the developer instead of the provider. After much discussion, the Board agreed the change, if necessary, would be addressed later to give the Board time to fully consider potential language changes. Mr. Boshier noted the interpretation of instructor led could also be addressed at that time. Mr. Jewell displayed Board Policies #1 through #9 for the Board's viewing.

Following a full Board discussion, upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to approve Board Policy updates #1 through #9 as presented. The members voting "AYE" were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

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Presentation for Approval of Board Policy #10

Mr. Jewell led the discussion regarding the approval of Board Policy #10. Mr. Jewell noted Ms. Birkenheier, Assistant Attorney General, initially drafted Board Policy #10, Electronic participation in Board meetings. In accordance with statute, this required policy would grant electronic communication for a Board member in case of an unexpected emergency event such as weather or personal matters. Electronic communication is limited to 2 meetings per year or 25% of all meetings. Ms. Birkenheier reminded the Board that a quorum must be physically present for the meeting to occur.

After a full Board discussion the Board agreed to amend page 1, last paragraph, and second sentence to read: If a member's participation from a remote location is challenged, then the Board shall vote whether to allow such participation and the results of such vote shall be recorded in the minutes with specificity. The last sentence of this paragraph was also agreed to be stricken. Upon a motion by Mr. Moyers, and duly seconded, the members voted unanimously to approve amended Board Policy #10 as presented. The members voting "AYE" were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers, and Ms. Saunders.

Peer Review Update

Mr. Moyers led the discussion regarding the peer review update. He noted the Failed Reports Guidance document from NASBA's Compliance Assurance Committee (CAC). The document includes recommendations for all peer review outcomes. Mr. Moyers noted the next Peer Review Oversight Committee meeting as May 19, 2015 and the NASBA PROC Summit is on July 10, 2015. He suggested letting the committees meet and return with recommendations. Ms. Walker, Government Affairs Director, VSCPA, noted there could be a FOIA issue if the Board and/or PROC Committees are provided firm peer review documents. Mr. Jewell requested Ms. Birkenheier attend the May 19, 2015 PROC Committee meeting. Mr. Moyers noted the PROC Committee is charged with monitoring the peer review process.

Enforcement – Records Retention Update

Mr. Jewell led the discussion regarding the enforcement records retention update. He noted the retention of complete case files would go from 10 years to 7 years, and that original consent orders, board orders and investigative reports would be retained for 65 years. The 65 year retention is aimed at retaining documents for the life of a CPA. The VBOA has records dating from July 1, 2001. Mr. Jewell noted complaints with no findings would have a 1 year document retention period. The records retention modifications have been tentatively approved, and are awaiting final approval from the Library of Virginia.

Financial Accounting Foundation (FAF)

Mr. Jewell led the discussion regarding the request for comment from the Financial Accounting Foundation (FAF) seeking stakeholder input regarding a three-year assessment of the Private Company Council (PCC). Mr. Bradshaw noted the Board should utilize and rely on the expertise of NASBA for a response. Individual Board members may respond as well.

Financial Accounting Foundation (FAF), Financial Accounting Standards Board (FASB), and the Governmental Accounting Standards Board (GASB) – 2015 Strategic Plan

Mr. Jewell led the discussion regarding the FAF, FASB and GASB 2015 Strategic Plan. He noted the 13 page document was informational.

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NC Board of Dental Examiners Supreme Court Decision

Mr. Bradshaw led the discussion regarding the NC Board of Dental Examiners Supreme Court decision. According to the decision, boards such as the VBOA are non-sovereign actors (private entities) controlled by active market participants (licensees). As such, they are subject to the Sherman Antitrust Act and must have their rulings supervised by the state. Mr. Boshier noted “active supervision” is not defined. Ms. Kilmer noted the Board of Accountancy Board members were not in competition with one another and, also, with Ms. Birkenheier, Assistant Attorney General, present that supervision was in place. Mr. Boshier cautioned the Board from too much alarm and to let the scenario play out.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items / Potential Future Topics

- PROC – Policy on reporting Peer Review results to the Enforcement Committee
- CPE – VBOA/VSCPA discussions

May 21, 2015 Planning Meeting – Potential Topics for Discussion

- Background checks for licensees
- Active - CPE Exempt Status – Substantial Use & Volunteer Services discussion
- Statute/Regulation Changes
 - Financial Statement Preparation Services
 - “Using the CPA title”
- Revenue Projections
- Board Policies
 - Consolidation of Board Policy #2 & #4
- Procedures
 - Renewal date for all licensees
 - CPE deadlines
 - Disciplinary actions – website postings

Sign Conflict of Interest Forms

Sign Travel Expense Vouchers

Future Meeting Dates

May 21, 2015 (Planning Meeting). Mr. Jewell reminded the Board the May 21st planning meeting will be held at the Virginia Society of Certified Public Accountants and the meeting will begin at 9:00 a.m.

June 30, 2015

ENFORCEMENT

BEGIN CLOSED MEETING

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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/or consider the status of all open Enforcement Cases, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27). The following non-members were in attendance to reasonably aid the consideration of these topics: Wade A. Jewell, Executive Director, Mark Bong, Enforcement Director, and Anna Birkenheier, Assistant Attorney General. Jean Grant, Enforcement Manager was in attendance for a portion of the closed meeting. The members voting “**AYE**” were Mr. Bradshaw, Dr. Cochran, Mr. Boshier, Mr. Holland, Ms. Kilmer, Mr. Moyers and Ms. Saunders.

END CLOSED MEETING

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

CALL FOR VOTE:

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

VOTE:

AYES: Five (5)

NAYS: None

ADJOURNMENT

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

APPROVED:

FINAL/Approved for April 30, 2015
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W. Barclay Bradshaw, CPA, Chair

COPY TESTE:

Wade A. Jewell, Executive Director