



## **Board Meeting: August 29, 2024 Final minutes**

The Virginia Board of Accountancy met on Aug. 29, 2024, in Board Room #3 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

### **Members present:**

- Wendy Pace Lewis, CPA, Chair
- Nadia A. Rogers, CPA, Vice Chair
- David Cotton, CPA, CFE, CGFM
- Anne B. Hagen, CPA
- Dale G. Mullen
- Angela Rudolph-Wiseman, CPA

### **Members absent:**

- William R. Brown, CPA

### **Legal counsel:**

- James Flaherty, Assistant Attorney General, Office of the Attorney General

### **Staff present:**

- Nancy Glynn, CPA, Executive Director
- Renai Reinholtz, Deputy Director
- Matthew Ross, Enforcement Director
- Alessandra Gabriel, Information and Policy Advisor
- Kelli Yoder, Communications Coordinator
- Nicole Reynolds, Licensing Specialist
- Jeff Good, IT Specialist

### **Members of the public present:**

- Stephanie Saunders, CPA, Chair, NASBA Board of Directors
- Emily Walker, CAE, VP, Advocacy & Pipeline, Virginia Society of Certified Public Accountants
- Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants
- Molly Wash, AR Director, Virginia Society of Certified Public Accountants
- Zachary Borgerding, CPA, Audit Director, Auditor of Public Accounts
- Igor DeOliveira, CPA, Senior Auditor, Auditor of Public Accounts
- G. Stewart Peto, Executive Director, Virginia Conflict of Interest and Ethics Advisory Council
- Khara Durdan, CPA, CISA, CFE, Director of Internal Audit, Chesterfield County, VA.
- Kimberly Messersmith, KPMG
- Nick Harrison, KPMG
- Mona Birchfield, CLA
- Melissa Lebant, CLA

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**CALL TO ORDER**

Ms. Lewis called the meeting to order at 9:30 a.m.

**SECURITY BRIEFING**

Ms. Reynolds provided the emergency evacuation procedures.

**DETERMINATION OF QUORUM**

Ms. Lewis determined there was a quorum present.

**APPROVAL OF AGENDA**

- Upon a motion by Ms. Rogers, and seconded by Ms. Rudolph-Wiseman, the members voted unanimously to approve the August 29, 2024, agenda, as presented. The members voting “AYE” were Ms. Hagen, Ms. Lewis, Mr. Mullen, Mr. Cotton, Ms. Rogers, and Ms. Rudolph-Wiseman.

**APPROVAL OF MINUTES**

- Upon a motion by Ms. Rogers, and seconded by Mr. Cotton, the members voted unanimously to approve the June 11, 2024, Board meeting minutes as presented. The members voting “AYE” were Ms. Lewis, Mr. Mullen, Mr. Cotton, Ms. Rogers, and Ms. Rudolph-Wiseman. Ms. Hagen abstained.

**PUBLIC COMMENT PERIOD**

Stephanie Peters, President and CEO of the Virginia Society of CPAs, addressed Board members regarding the subject of mobility as a major factor in the discussion of pathways to the CPA license. Although the VSCPA has not yet taken an official position on pathways to CPA, they are focused on preserving mobility and stability within the CPA profession. The VSCPA is concerned about the effects that reduced mobility throughout the jurisdictions will have on Virginia CPAs and firms. It has created a task force in support of mobility and has requested further discussion with VBOA on this subject.

**FY 2023 Audit Exit – Zachary Borgerding, CPA, Audit Director, Auditor of Public Accounts**

Mr. Borgerding reported to the Board on the completion of the APA audit and the issuance of an unmodified opinion on the VBOA FY2023 financial statements. He mentioned the audit went smoothly with good cooperation on the part of VBOA staff.

Mr. Borgerding announced that this would be the last required annual audit for the Board based on Code of Virginia changes. Mr. Borgerding stated that in the future VBOA will be included in the regular pool of cycled agencies that undergo audit by the APA. He then fielded questions by the Board.

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**NASBA Alternative Model, Stephanie Saunders, CPA, Chair, NASBA Board of Directors**

Ms. Saunders presented to the Board on NASBA's recent work regarding the Alternate Licensure Model with a focus on maintaining public protection and enhancing the CPA profession. She advised the Board that the Joint Working Group, made up of stakeholders brought together by NASBA from across the CPA profession, is currently considering new concepts to, perhaps, update the current licensing model. A consensus has been made to have the UAA look at the resulting plan.

NASBA plans to release an exposure draft on Sept. 15, giving state boards 90 days to respond as to whether it should be accepted into the UAA. Ms. Saunders fielded questions by the Board.

**National Pipeline Advisory Group (NPAG) Report- Emily Walker, CAE, VP of Advocacy, VSCPA**

Ms. Walker presented to the Board as a representative of NPAG, sharing highlights from the NPAG Report issued in July of 2024. One subject discussed was the time and cost involved in becoming a CPA. She outlined possible changes to the education requirements and mentioned that all states should try to move in tandem as part of an intentional and coordinated campaign to mitigate the impact of these changes on interstate practice. She invited the Board to consider making a "Pipeline Pledge" as an individual commitment to participate in activities that will increase the pool of future CPAs. She fielded questions by the Board. Discussion ensued regarding methods of outreach and ways to communicate the dynamic nature of the CPA profession.

**Conflict of Interest Training – G. Stewart Petoe, Executive Director, Virginia Conflict of Interest and Ethics Advisory Council**

Mr. Petoe presented on the role of the Council as a safe and confidential resource to provide guidance for people who work in public service. He summarized various definitions and certain prohibited conduct covered in the Code of Virginia and outlined the function of the Safe Harbor feature. He discussed frequently asked questions and reminders for filing deadlines and then opened the floor for questions.

**ENFORCEMENT PUBLIC COMMENT PERIOD** – There were no public comments.

**ENFORCEMENT AGENDA**

The following actions were taken during open session:

Upon a motion by Ms. Rogers and duly seconded by Ms. Rudolph-Wiseman, the consent orders for enforcement file numbers 2024-0041, 2024-0081, 2024-0197, and 2024-0229, were approved to be considered and voted on as a block by the Board. Members voting "Aye" were Ms. Lewis, Ms. Rogers, Ms. Rudolph-Wiseman, Mr. Mullen, Mr. Cotton and Ms. Hagen.

**Case #2024-0041, Case#2024-0081, Case#2024-0197, and Case#2024-0229**

Upon a motion by Ms. Rogers and duly seconded by Mr. Mullen, the consent orders for enforcement file numbers 2024-0041, 2024-0081, 2024-0197, and 2024-0229, were all approved by the Board.



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**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye (Abstained from case #2024-0229)  
Anne B. Hagen, CPA – Aye  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye (Abstained from case #2024-0197)

**Case #2024-0035**

Following questions regarding the proposed penalties contained in the Consent order by Mr. Cotton, Mr. Mullen made a motion to accept the consent order, which was duly seconded by Ms. Rogers. The Board voted to approve the Consent Order as written.

**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Nay  
Anne B. Hagen, CPA – Aye  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Five (5)  
Abstain: None (0)  
Nays: One (1)

**Case #2024-0218**

Mr. Cotton left the room and was not present for the discussion or vote in this matter or the matter of Case #2024-0049.

The Board Members reviewed the record, which consisted of the enforcement file, informal-fact finding conference exhibits, transcript and the presiding officer’s recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Ms. Rogers and duly seconded by Ms. Rudolph-Wiseman, to grant the applicant a CPA license and to adopt the presiding officer recommendation in its entirety and incorporate it as part of the Board’s final order.

**CALL FOR VOTE:**

Anne B. Hagen, CPA – Abstained

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Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Four (4)  
Abstain: One (1)  
Nays: None (0)

**Case #2024-0049**

Mr. Cotton remained outside of the room and was not present for the discussion or vote on this matter.

The Board Members reviewed the record, which consisted of the enforcement file, informal-fact finding conference exhibits, transcript and the presiding officer’s recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Mr. Mullen and duly seconded by Ms. Rudolph-Wiseman, to adopt the presiding officer recommendation as written and close the matter with the issuance of an advisory letter.

**CALL FOR VOTE:**

Anne B. Hagen, CPA – Abstained  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Four (4)  
Abstain: One (1)  
Nays: None (0)

Mr. Cotton returned to the room.

**Case #2023-0386**

The Board Members reviewed the record, which consisted of the enforcement file, informal-fact finding conference exhibits, transcript and the presiding officer’s recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Ms. Rogers and duly seconded by Mr. Mullen, to adopt the presiding officer recommendation in its entirety and incorporate it as part of the Board’s final order. The Board found by substantial evidence that the respondent violated 54.1-4413.3 (1-4) and (7). The Board imposed the recommended penalties of a \$25,000 monetary penalty and revocation of the Respondent’s CPA License.



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**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye  
Anne B. Hagen, CPA – Abstained  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Five (5)  
Abstain: One (1)  
Nays: None (0)

Ms. Glynn left the room and was not present for the discussion or vote in this matter or the matter of Case Nos. 2024-0057, 2024-0123, 2024-0151, 2024-0158 and 2024-0181.

**Case #2024-0057**

Ms. Glynn remained outside of the room and was not present for the discussion or vote on this matter.

The board members reviewed the record, which consisted of the enforcement file, informal fact-finding conference exhibits, and the presiding officer's recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Mr. Cotton and duly seconded by Ms. Rudolph-Wiseman, to adopt the presiding officer recommendation and incorporate it as part of the board's final order. The Board found by substantial evidence that respondent violated 18VAC5-22-90 and Code of Virginia 54.1-4413.3 (7). The Board imposed the recommended penalties of a monetary penalty of \$574 for Respondent failing to complete 120 hours of CPE during the reporting period, \$250 for not completing a minimum of 20 CPE hours in 2020 and 2021, and a reprimand for not completing the Virginia Specific Ethics Course in 2020 and for false certification of compliance with the CPE requirements on Respondent's license renewal application. Additionally, upon any reinstatement of respondents CPA license they shall be subject to a CPE compliance review for the three-year period following their license reinstatement.

**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye  
Anne B. Hagen, CPA – Abstained  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

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**VOTE:**

Ayes: Five (5)

Abstain: One (1)

Nays: None (0)

**Case #2024-0123**

Ms. Glynn remained outside of the room and was not present for the discussion or vote on this matter.

The board members reviewed the record, which consisted of the enforcement file, informal fact-finding conference exhibits, and the presiding officer's recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Mr. Cotton and duly seconded by Mr. Mullen, to adopt the presiding officer recommendation and incorporate it as part of the board's final order. The Board found by substantial evidence that respondent violated 18VAC5-22-90, 18VAC5-22-170(A) and Code of Virginia 54.1-4413.3 (7). The Board imposed the recommended penalties of a monetary penalty of \$500 and a reprimand for not completing a minimum of 20 CPE hours in 2022, a \$250 monetary penalty for falsely certifying compliance with the CPA regulations during the license renewal process and \$250 for failing to respond to the CPE audit process.

**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye

Anne B. Hagen, CPA – Abstained

Wendy P. Lewis, CPA – Aye

Dale G. Mullen - Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Five (5)

Abstain: One (1)

Nays: None (0)

**Case #2024-0151**

Ms. Glynn remained outside of the room and was not present for the discussion or vote on this matter.

The board members reviewed the record, which consisted of the enforcement file, informal fact-finding conference exhibits, and the presiding officer's recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Mr. Cotton and duly seconded by Mr. Mullen, to adopt the presiding officer recommendation and incorporate it as part of the board's final order. The Board found by substantial evidence that respondent violated 18VAC5-22-90, 18VAC5-22-

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170(A) and Code of Virginia 54.1-4413.3 (7). The Board imposed the recommended penalties of a monetary penalty of \$1,200 for Respondent failing to complete 120 hours of CPE during the reporting period, \$250 for not completing a minimum of 20 CPE hours in 2021, 2022 and 2023, and \$250 for not completing the Virginia Specific Ethics Course in 2021, 2022 and 2023 and \$250 for false certification of compliance with the CPE requirements on Respondent's license renewal application. Additionally, upon any reinstatement of respondents CPA license they shall be subject to a CPE compliance review for the three-year period following their license reinstatement.

**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye  
Anne B. Hagen, CPA – Abstained  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Five (5)  
Abstain: One (1)  
Nays: None (0)

**Case #2024-0158**

Ms. Glynn remained outside of the room and was not present for the discussion or vote on this matter.

The board members reviewed the record, which consisted of the enforcement file, informal fact-finding conference exhibits, and the presiding officer's recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Mr. Cotton and duly seconded by Mr. Mullen, to adopt the presiding officer recommendation and incorporate it as part of the board's final order. The Board found by substantial evidence that respondent violated 18VAC5-22-90 and Code of Virginia 54.1-4413.3 (7). The Board imposed the recommended penalties of a monetary penalty of \$1,165 for Respondent failing to complete 120 hours of CPE during the reporting period, \$250 for not completing a minimum of 20 CPE hours in 2020, 2021 and 2022, \$250 for not completing the Virginia Specific Ethics Course in 2020, 2021 and 2022, and a reprimand for false certification of compliance with the CPE requirements on Respondent's license renewal application. Additionally, upon any reinstatement of respondents CPA license they shall be subject to a CPE compliance review for the three-year period following their license reinstatement.

**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye  
Anne B. Hagen, CPA – Abstained



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Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Five (5)  
Abstain: One (1)  
Nays: None (0)

**Case #2024-0181**

Ms. Glynn remained outside of the room and was not present for the discussion or vote on this matter

The board members reviewed the record, which consisted of the enforcement file, informal fact-finding conference exhibits, and the presiding officer's recommendation and summary of the informal fact-finding conference. After discussion, a motion was made by Mr. Cotton and duly seconded by Mr. Mullen, to adopt the presiding officer recommendation and incorporate it as part of the board's final order. The Board found by substantial evidence that respondent violated 18VAC5-22-90 and Code of Virginia 54.1-4413.3 (7). The Board imposed the recommended penalties of a monetary penalty of \$250 for not completing a minimum of 20 CPE hours in 2021, 2022, \$250 for not completing the Virginia Specific Ethics Course in 2021, 2022, and a reprimand for false certification of compliance with the CPE requirements on Respondent's license renewal application. Additionally, upon any reinstatement of respondents CPA license they shall be subject to a CPE compliance review for the three-year period following their license reinstatement.

**CALL FOR VOTE:**

David Cotton, CPA, CFE, CGFM – Aye  
Anne B. Hagen, CPA – Abstained  
Wendy P. Lewis, CPA – Aye  
Dale G. Mullen - Aye  
Nadia A. Rogers, CPA – Aye  
Angela Rudolph-Wiseman, CPA – Aye

**VOTE:**

Ayes: Five (5)  
Abstain: One (1)  
Nays: None (0)

Ms. Glynn returned to the room

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### **NASBA COMMITTEE UPDATES**

#### **AICPA Board of Examiners and NASBA UAA Committee**

Ms. Rogers shared highlights from AICPA Board of Examiner meetings held on June 20, August 8, and August 20 that included Content Committee, cloud driver, VP, and financial updates. The primary foci of the August meetings were updating BOE Policies and discussing areas of the NPAG Report wherein the BOE can take action.

Ms. Rogers also shared that the UAA Committee recently met eight times with the ultimate goal of proposing language for UAA Sections 5 (Qualifications for a Certificate as a CPA) and 23 (Substantial Equivalency) for AICPA and NASBA Board approval. Once approval has been obtained, an exposure draft will be released for public comment.

#### **Regulatory Response Committee**

Mr. Cotton informed the Board that the Regulatory Response Committee has submitted three exposure draft comment letters on behalf of NASBA in August. The three letters were as follows:

- PCAOB Rulemaking Docket Matter No. 056 – Proposed Auditing Standard – Designing and Performing Substantive Analytical Procedures and Amendments to Other PCAOB Standards.
- PEEC Proposed revised interpretation: Executive or Employee Recruiting.
- PEEC Proposed revised interpretation: Tax Services.

### **EXECUTIVE DIRECTOR'S REPORT**

#### **General updates**

Ms. Glynn presented the following general updates regarding the VBOA:

- Ms. Glynn recognized Ms. Reinholtz and Ms. Strudgeon for their contribution to the FY2023 financial statements. She welcomed Alessandra Gabriel as the new VBOA Information and Policy Advisor.
- Ms. Glynn advised the Board that the new CPA exam is reportedly going well. She mentioned that VA firm license requirements have recently changed. Those changes will be included in the 2025 VBOA Ethics course currently in progress.
- Ms. Glynn announced that the VBOA will visit GWU in October on a speaking engagement and that the next Board meeting will be held at Virginia Tech.
- Ms. Lewis thanked Ms. Glynn for her participation in the Executive Director Committee meetings and expressed her appreciation for Ms. Glynn's honesty and positive presence in the meetings.

#### **Financial and Board Report update**

Ms. Reinholtz presented and fielded questions regarding the July 2024 Financial Report.

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### **Enforcement update**

Mr. Ross presented the Board with an update on the Enforcement division.

**RECESS FOR LUNCH** 12:30 p.m.

**RECONVENE** 1:15 p.m.

### **Invoke Demonstration – Jeff Good, BOA IT Specialist and Kaitlyn Paine, PCG System Implementation update – John Rush, CapTech**

Mr. Rush and Mr. Good presented on the status of the new VBOA licensing system implementation, including features of the system and timelines for completion. Board discussion ensued centering on automation of CPE reporting and audits. Mr. Mullen advised that total automation is the goal in order to protect the public in an efficient, effective and economical manner. Ms. Lewis suggested the Board consider this and revisit it in future meetings. The Board discussed expanding the license renewal page to require more detailed information about CPE compliance. Ms. Glynn agreed that this will be done. Mr. Cotton asked that the complete contract schedule and milestone statuses be presented at future board meetings. Ms. Lewis concurred, and Ms. Glynn agreed to have this done.

### **BOARD DISCUSSION TOPICS**

#### **2025 Strategic Initiatives**

Ms. Lewis suggested that the Board consider a review of current Board policies with the goal of removing or streamlining certain policies based on the Governor's initiative to reduce regulation.

#### **Pathways to Licensure and UAA Update Discussion**

Ms. Lewis led the discussion and invited comments from the Board regarding the various suggestions for pathways to licensure nationwide. Lively discussion followed with suggestions from Board members that VBOA work with VSCPA to move legislation forward that offers more options and flexibility; to lead the way for change and increase diversity in the profession and to make a way for those who may not have had the opportunity to pursue a traditional pathway to their chosen career. Concern was expressed that the pathways to licensure should be equivalent. Ms. Lewis agreed that a more fluid discussion is needed, and Ms. Glynn suggested a separate Board meeting be held for such a discussion. When the exposure draft is released in mid-September the Board will discuss the issues as their comments to the draft are prepared.

#### **Carry over items/potential future topics**

- Retiring Policy #3 – Substantial Equivalency
- Firm licensing communication plan to implement Code of Virginia changes

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

- Sign Conflict of Interest forms



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- Sign Travel Expense vouchers
- Future meeting dates:
  - October 22, 2024 (Virginia Tech)

**ADJOURNMENT**

There being no further business before the VBOA, Ms. Lewis adjourned the meeting at 2:32 p.m.

**APPROVED:**

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Wendy P. Lewis, CPA, Chair

**COPY TESTE:**

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Nancy Glynn, CPA, Executive Director