

Friday, November 15, 2019
VBOA Board Meeting Agenda

Virginia Commonwealth University
Snead Hall, Room B3189
School of Business
301 W. Main Street
Richmond, VA 23284

- 10 a.m. Call to Order – **D. Brian Carson, CPA, CGMA, Chair**
Security Briefing – **Heather Rogers, Executive Administrative Assistant**
Determination of Quorum
Approval of November 15, 2019, Agenda
Approval of September 30, 2019, Board meeting minutes
Approval of Consent Agenda
Consent Orders
- 2017-098-010D (Ferguson and Saunders)
 - 2019-136-011U (Saunders)
- Public comment period*
- 10:10 a.m. 1. Welcome – **Ed Grier, Dean, School of Business, Virginia Commonwealth University**
- 10:20 a.m. 2. Board Member/Staff Introductions and VBOA Overview – **D. Brian Carson, CPA, CGMA, Chair**
- Questions from VCU students, faculty and other attendees
- 10:40 a.m. 3. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - Financial and Board Report overview – **Renai Reinholtz, Deputy Director**
 - Enforcement and status of open cases – **Amanda E. M. Blount, Enforcement Director**
- 11 a.m. 4. Building a Career in Accounting – **Wendy P. Lewis, CPA, Partner, KPMG**
- 11:30 a.m. 5. Virginia Society of CPAs – Student resources – **Molly Wash, CAE, Academic Engagement Director, Virginia Society of CPAs**
- 11:45 a.m. 6. Board Discussion Topics – **D. Brian Carson, CPA, CGMA, Chair**
- Trust Fund Policy – **Renai Reinholtz, Deputy Director**
 - Final revisions to 18VAC5-22-90. Continuing professional education – **Elizabeth Marcello, Information and Policy Advisor**
 - CPA Evolution - **Stephanie S. Saunders, CPA**
 - Enforcement processes - **Amanda E. M. Blount, Enforcement Director**

- 12 p.m. Recess for lunch
- 1 p.m. 6. Board Discussion Topics, continued – **D. Brian Carson, CPA, CGMA, Chair**
- 2 p.m. 7. Committee Updates – **D. Brian Carson, CPA, CGMA, Chair**
- NASBA Communications Committee – **D. Brian Carson, CPA, CGMA, Chair**
 - NASBA Enforcement Resources Committee – **William R. Brown, CPA**
 - NASBA Education Committee and UAA Committee – **Stephanie S. Saunders, CPA**
 - NASBA Board of Directors – **Stephanie S. Saunders, CPA**
- 2:15 p.m. 8. Additional Items for Discussion
Carryover topics (Additional items for discussion)
- Publication of disciplinary action
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates
 - January 7, 2020
 - February 25, 2020
 - April 28, 2020
 - May 21, 2020 (Planning meeting)
 - June 23, 2020
 - August 18, 2020
 - October 8, 2020
- 2:30 p.m. 9. Closed Session
Enforcement – **Amanda E. M. Blount, Enforcement Director**
- Status of Open Cases
 - OAG updates
 - Final Orders:
 - 2018-009-009 (Blount and Charity)
 - 2018-520-013U (Brown and Saunders)
- 2:45 p.m. 10. Closed Session
- Contract Discussion – Nancy Glynn, CPA, Executive Director
- 3 p.m. 11. Closed Session
- Personnel Discussion – Nancy Glynn, CPA, Executive Director
- 3:30 p.m. Adjournment

***Five-minute public comment, per person, on those items not included on the agenda.**

Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the VBOA office at (804) 367-8505 at least five days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The VBOA fully complies with the Americans with Disabilities Act.

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Monday, September 30, 2019, in Board Room #3 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: D. Brian Carson, CPA, CGMA, Chair
Matthew P. Bosher, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Nadia A. Rogers, CPA
Stephanie S. Saunders, CPA

**MEMBER PRESENT
FOR A PORTION OF
THE MEETING:** Laurie A. Warwick, CPA, Vice Chair

LEGAL COUNSEL: Robert Drewry, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Nancy Glynn, CPA, Executive Director
Mary Charity, Deputy Director for Operations
Renai Reinholtz, Deputy Director for Finance and Administration
Amanda E. M. Blount, Enforcement Director
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant
Elizabeth Marcello, Information and Policy Advisor
Heather Rogers, Executive Administrative Assistant
Jennifer Winters, Adjudication Specialist

**LEGAL COUNSEL
PARTICIPATING FOR
A PORTION OF THE
MEETING:** Christopher K. Jones, Esq., Sands Anderson

**LEGAL COUNSEL
PARTICIPATING BY
TELECONFERENCE
FOR A PORTION OF
THE MEETING:** Cullen D. Seltzer, Esq., Sands Anderson

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

**MEMBERS OF THE
PUBLIC PRESENT:**

Trina Willard, Owner & Principal, Knowledge Advisory Group
Sandra Wright, Senior Consultant, Knowledge Advisory Group
Stephanie Peters, CAE, President and CEO, Virginia Society of Certified
Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of
Certified Public Accountants
Amy Mawyer, Vice President, Learning, Virginia Society of
Certified Public Accountants
Isabella Debono, State Legislative and Regulatory Policy, Ernst &
Young

CALL TO ORDER

Mr. Carson called the meeting to order at 10:02 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Carson determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the September 30 2019, agenda, as presented. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

APPROVAL OF MINUTES

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the August 22, 2019, Board meeting minutes, as amended. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders. (Ms. Rogers was not in attendance for the August 22, 2019, Board meeting. She abstained from the vote.)

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

INTRODUCTION OF NADIA ROGERS

Mr. Carson welcomed and introduced Ms. Rogers. Ms. Rogers served as Chair on the VBOA Peer Review Oversight Committee from 2010 through 2014. Currently, Ms. Rogers is Associate Professor of Practice in the Department of Accounting and Information Systems at the Virginia Tech Pamplin College of Business. She noted she looked forward to working with the Board and staff.

APPROVAL OF CONSENT AGENDA

Upon a motion by Mr. Boshier, and duly seconded, the members voted to approve the Consent Agenda, as presented. The members voting “**AYE**” were Mr. Carson, Mr. Boshier and Ms. Rogers. Mr. Bradshaw, Mr. Brown and Ms. Saunders abstained from the vote.

PUBLIC COMMENT PERIOD

Ms. Peters provided a brief overview of the AICPA Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits report for 2019.

Ms. Warwick joined the meeting.

CPE SURVEY RESULTS AND ANALYSIS

Ms. Wright provided a detailed PowerPoint resulting from the CPE survey created by Knowledge Advisory Group to assess licensees’ opinions on CPE requirements. The electronic survey had been sent to 26,435 licensed Virginia CPAs with a 20% response rate. Ms. Wright fielded questions from Board members and guests.

NASBA COMMITTEE UPDATES

NASBA Communications Committee

Mr. Carson led the discussion regarding the NASBA Communications Committee. He noted the committee participated in monthly teleconferencing. No updates were reported.

NASBA Enforcement Resources Committee

Mr. Brown led the discussion regarding the NASBA Enforcement Resources Committee. He noted the Committee Task Force had met on August 28, 2019, to review the tools and tabs on the NASBA website. Mr. Brown recommended the NASBA Boot Camp for new members.

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

NASBA Education Committee and UAA Committee

Ms. Saunders noted there were no updates to the NASBA Education Committee.

Ms. Saunders led the discussion regarding the UAA (Uniform Accountancy Act) Committee. She noted the full AICPA/NASBA teleconference meeting would be held October 3, 2019. Discussions would include the Peer Review changes to the UAA Section 7. Ms. Saunders noted after the comment letters were received the Committee would vote on changes to the UAA Section 7.

Ms. Saunders noted the Firm Experience Task Force had a teleconference on September 27, 2019. Discussions included:

- A report including statistics, provided by Carl Mayes, senior manager on the Public Accounting team at the AICPA, supported 2,000 or more hours of current experience in the last five years reduced nonconforming audits to 33.33% as opposed to those with less than 2,000 hours having nonconforming audits to 69.2%.
- The engagement partner (authorizing signature on the audit report) has less than 2,000 hours. (Enhanced Quality Control Review)
- All changes would be effective three years after the enactment date.

Ms. Saunders noted discussions would continue during the regional breakout sessions during the NASBA Annual Meeting in Boston, MA at the end of October.

NASBA Board of Directors

Ms. Saunders led the discussion regarding the NASBA Board of Directors. She noted the next meeting would be held October 25, 2019.

NASBA Audit Committee

Ms. Warwick led the discussion regarding the NASBA Audit Committee. She noted the NASBA external audit had been approved.

EXECUTIVE DIRECTOR'S REPORT

General Updates

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

- Ms. Glynn introduced Jennifer Winters as the new VBOA Adjudication Specialist.

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

- Ms. Glynn noted emails were sent to expired CPA licensees as a reminder they no longer held a Virginia CPA license.
- Ms. Glynn noted emails would be sent to CPAs that had voluntarily surrendered their license as a reminder they no longer hold a Virginia CPA license.
- Ms. Anderson demonstrated the new VBOA website homepage design with an anticipated launch date of December 2019.

August 2019 Board Report

Ms. Charity presented and fielded questions regarding the August 2019 Board Report.

August 2019 Financial Report

Ms. Reinholtz presented and fielded questions regarding the August 2019 Financial Report.

BOARD DISCUSSION TOPICS

Trust Fund Policy

Ms. Reinholtz led the discussion regarding the Trust Fund Policy (VBOA Policy #1 Trust Account). Ms. Reinholtz provided documents and fielded questions. Estimated monthly projections were discussed. After an in-depth discussion, the Board agreed to continue discussions on a later date.

Revisions and Updates to regulations

Ms. Marcello led the discussion regarding the proposed revisions and updates to the VBOA regulations. Ms. Marcello provided a detailed PowerPoint including handouts regarding the proposed changes. After a thorough discussion, the Board agreed to table 18VAC5-22-90 Continuing Professional Education for a later date and move forward with all remaining proposed revisions.

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to move forward with proposed changes to 18VAC5-22-40, 18VAC5-22-50, 18VAC5-22-70, 18VAC5-22-80, 18VAC5-22-120, 18VAC5-22-170, 18VAC5-22-180 and the addition of 18VAC5-22-91, as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

VIRGINIA-SPECIFIC 2020 ETHICS COURSE

Approval of outline

Mr. Boshier led the discussion regarding the approval of the Virginia-Specific 2020 Ethics Course outline. He noted the Ethics Committee met on September 12, 2019. After a thorough discussion, the Board voted to approve the Virginia-Specific Ethics Course 2020 outline.

Upon a motion by Mr. Boshier, and duly seconded, the members voted to approve the Virginia-Specific Ethics Course 2020 outline as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Discussion of instructor selection/approval

Mr. Boshier led the discussion regarding the instructor selection/approval. He noted the Ethics Committee met in September and agreed instructors of the course would benefit from specific training. He also noted the Ethics Committee suggested increasing the number of committee members and outlining detailed instructor requirements.

Mr. Boshier left the meeting and is no longer participating.

RECESS FOR LUNCH 12:37 p.m.

RECONVENE 1:00 p.m.

ACTIVE – CPE EXEMPT STATUS

Board Policy #9

Ms. Saunders led the discussion regarding VBOA Policy #9. A thorough discussion ensued.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve VBOA Policy #9 as amended. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Board Policy #4

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve VBOA Policy #4 as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

2021 Ethics Course vendor selection process

Ms. Glynn led the discussion regarding the 2021 Virginia-Specific Ethics Course vendor selection process. She noted an RFP (Request for Proposal) would be available for the Board's review in November 2019.

Publication of VBOA disciplinary actions

The publication of VBOA disciplinary actions was tabled for a later date.

Additional Items for Discussion

Carry over topics

- Virginia-Specific Ethics Course – 2020 and beyond
- Publication of VBOA disciplinary actions
- Trust Fund Reserve Policy
- Required coursework for CPA examination/licensure

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- November 15, 2019, Virginia Commonwealth University
- January 7, 2020 (Tentative)
- February 25, 2020 (Tentative)
- June 2020 (TBA)
- August 18, 2020 (Tentative)
- October 8, 2020 (Tentative)

Begin closed meeting

Upon a motion by Ms. Warwick, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

on our agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7) and (27). The following non-members will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and Robert Drewry. The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Amanda Blount, Jennifer Winters and Christopher Jones. The following non-member will be participating by teleconference for a portion of the closed meeting to reasonable aid in the consideration of this topic: Cullen D. Seltzer.

End closed meeting

Upon a motion by Ms. Warwick, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions 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 laws 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:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Abstain
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: One (1)
Nays: None

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

Mr. Bradshaw, Ms. Glynn and Ms. Blount were not in attendance and did not participate in the discussion.

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

Case#2018-008-008C (Blount and Glynn)

Upon a motion by Ms. Saunders, and duly seconded, members voted as follows to approve Final Order 2018-008-008C as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Abstain
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: One (1)
Nays: None

Case#2018-480-425C (Blount and Glynn)

Mr. Bradshaw, Ms. Glynn and Ms. Blount were not present and did not participate in the closed discussion.

Upon a motion by Ms. Warwick, and duly seconded, members voted as follows to approve Final Order 2018-480-425C as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Abstain
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

VOTE:

Ayes: Six (6)

Abstain: One (1)

Nays: None

Case#2019-087-069C (Blount and Glynn)

Mr. Bradshaw, Ms. Glynn and Ms. Blount were not present and did not participate in the closed discussion.

Upon a motion by Mr. Brown, and duly seconded, members voted as follows to approve Final Order 2019-087-069C as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye

Laurie A. Warwick, CPA – Aye

Matthew P. Boshier, Esq. – Aye

W. Barclay Bradshaw, CPA – Abstain

William R. Brown, CPA – Aye

Nadia A. Rogers, CPA – Aye

Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)

Abstain: One (1)

Nays: None

ADJOURNMENT

There being no further business before the VBOA, Mr. Carson adjourned the meeting at 2:22 p.m.

APPROVED:

D. Brian Carson, CPA, CGMA, Chair

**Board Meeting
September 30, 2019
Draft/Unapproved minutes**

COPY TESTE:

Nancy Glynn, CPA, Executive Director

Financial Report
FY20 Budget vs. Actual Expenses
As of September 30, 2019

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,386,575	377,708	27.2%	1,175,925	1,174,172	1,103,143
Total Salaries & Benefits	\$ 1,386,575	\$ 377,708	27.2%	\$ 1,175,925	\$ 1,174,172	\$ 1,103,143
<u>Contractual Services</u>						
1211 Express Services	150	6	4.0%	134	722	-
1214 Postal Services	12,000	3,904	32.5%	9,984	12,886	7,975
1215 Printing Services	5,500	742	13.5%	4,537	5,487	5,245
1216 Telecommunications - VITA	13,500	2,544	18.8%	12,539	11,613	12,272
1217 Telecommunications - Nonstate (CallFire)	300	350	116.7%	100	100	600
1219 Inbound Freight	150	9	5.7%	56	160	418
1221 Organization Memberships (primarily NASBA)	8,090	7,175	88.7%	7,625	7,255	7,250
1222 Publication Subscriptions	1,271	72	5.7%	1,271	1,266	4,730
1224 Training - Courses, Workshops, Conferences	7,290	199	2.7%	4,822	11,459	8,914
1225 Employee Tuition Reimbursement	-	-	---	1,618	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	11,000	3,048	27.7%	4,567	23,825	10,933
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	91	-	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	33,546	61.0%	34,498	48,558	53,790
1243 Attorney Services (Including OAG)	77,315	7,778	10.1%	62,020	51,736	24,844
1244 Mgmt. Services - NASBA/special accommodations - IT Support	34,000	4,356	12.8%	33,808	21,736	75,641
1245 Personnel Management Services	-	-	---	79	-	-
1246 Public Info/Public Relations (subscriptions)	3,470	384	11.1%	3,470	3,538	5,015
1247 Legal Services (Includes court reporting services)	1,500	915	61.0%	10,834	19,562	12,977
1252 Electrical Repair/Maintenance	-	-	---	-	-	90
1253 Equipment Repair/Maintenance	850	-	0.0%	823	-	-
1263 Clerical / Temp Services	-	-	---	-	2,754	2,475
1264 Food and Dietary Services	3,600	379	10.5%	3,585	3,236	2,156
1265 Laundry & Linen Services	25	-	---	13	-	25
1266 Manual Labor Services (Includes shredding services)	3,720	40	1.1%	320	394	1,122
1268 Skilled Services	1,200	-	---	1,138	-	-
1272 VITA Pass Thru Charges	133,205	19,799	14.9%	133,466	135,170	122,620
1273 Info Mgmt Design and Development Services (Project Manager and Website)	92,936	10,676	11.5%	108,923	94,600	-
1275 Computer Software Maintenance	74,800	-	0.0%	-	-	-
1278 VITA Information Technology Infrastructure Services	185,240	22,751	12.3%	146,380	119,126	90,483
1279 Computer Software Development Services	149,500	-	0.0%	234,015	346,155	-
1282 Travel - Personal Vehicle	7,500	1,991	26.5%	6,603	8,099	6,980
1283 Travel - Public Carriers	-	-	---	77	-	589
1284 Travel - State Vehicles	1,000	-	0.0%	200	652	619
1285 Travel - Subsistence and Lodging	1,500	478	31.8%	1,612	2,182	1,250
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	318	31.8%	824	1,423	730
Total Contractual Services	\$ 886,612	\$ 121,459	13.7%	\$ 830,032	\$ 933,694	\$ 459,834
<u>Supplies and Materials</u>						
1311 Apparel Supplies	-	-	---	-	-	248
1312 Office Supplies	4,500	257	5.7%	3,783	5,023	4,338
1313 Stationery and Forms	2,300	513	22.3%	1,844	2,028	2,214
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	103	221	155
1335 Packaging and Shipping Supplies	800	-	0.0%	1,237	485	958
1342 Medical & Dental Supplies	50	-	0.0%	5	-	260

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	-	389	41
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	8
1362 Food & Dietary Supplies	525	17	3.2%	365	498	561
1363 Food Service Supplies	50	-	0.0%	56	62	107
1364 Laundry & Linen Supplies	-	-	---	-	-	24
1373 Computer Operating Supplies	4,100	-	0.0%	3,989	3,194	7,004
Total Supplies & Materials	\$ 12,575	\$ 787	6.3%	\$ 11,382	\$ 11,900	\$ 15,919
<u>Transfer Payments</u>						
1413 Awards & Recognition	150	-	0.0%	1,033	848	863
1418 Incentives	1,200	-	0.0%	325	-	410
Total Transfer Payments	\$ 1,350	\$ -	0.0%	\$ 1,358	\$ 848	\$ 1,273
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,112	768	9.5%	8,507	8,645	8,460
1539 Building Rentals - Non-State Owned Facilities	95,918	23,820	24.8%	93,416	90,982	88,126
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	36,434	-	0.0%	37,335	38,169	36,071
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,044	978	968
Total Continuous Charges	\$ 143,191	\$ 24,588	17.2%	\$ 141,985	\$ 140,457	\$ 135,308
<u>Equipment</u>						
2216 Network Components	1,500	196	13.0%	452	341	1,117
2217 Other Computer Equipment	500	-	0.0%	1,590	685	300
2218 Computer Software Purchases	-	-	---	419	540	2,157
2224 Reference Equipment	50	-	0.0%	32	80	26
2231 Electronic Equipment	-	-	---	-	-	164
2232 Photographic Equipment	-	-	---	-	552	845
2233 Voice and Data Transmission Equipment	-	-	---	511	164	-
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	3,791	6,125	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	177	117.9%	348	94	-
2262 Office Furniture	5,000	-	0.0%	5,666	555	3,375
2263 Office Incidentals	500	172	34.5%	109	969	2,646
2264 Office Machines	-	-	---	412	65	928
2268 Office Equipment Improvements	-	-	---	-	-	129
2271 Household Equipment	-	-	---	-	-	342
Total Equipment	\$ 7,700	\$ 545	7.1%	\$ 13,330	\$ 10,170	\$ 12,029
Total Expenses	\$ 2,438,003	\$ 525,088	25.0%	\$ 2,174,012	\$ 2,271,240	\$ 1,727,506
Chapter 854 Appropriation	\$ 2,104,195					
Additional Appropriation Request	\$ 333,808					
Total Projected Appropriation	\$ 2,438,003					

**Virginia Board of Accountancy
Financial Report
Cash Balance
As of September 30, 2019**

	Operating Fund (09226)		Special Fund (02020)	
	FY2020 - YTD as of 9/30/19	FY2019 - YTD as of 9/30/18	FY2020 - YTD as of 9/30/19	FY2019 - YTD as of 9/30/18
Beginning Fund Balance July 1:	\$ 681,659	\$ 614,003	\$ 4,405,230	\$ 3,700,807
YTD Revenue Collected *	123,480	455,767	-	-
Accounts Payable **	6,877	42,026	-	-
Cash Transfers In per Board Policy #1	284,552	-	-	-
Cash Transfers Out per Board Policy #1	-	-	(284,552)	-
YTD Expenditures	(525,088)	(536,581)	-	-
Cash Balance before required transfers	\$ 571,481	\$ 575,215	\$ 4,120,678	\$ 3,700,807
Required Cash Transfers:				
Transfers to Central Service Agencies ***	\$ (11,302)	\$ (11,302)	-	-
Cash Balance after required transfers	\$ 560,179	\$ 563,913	\$ 4,120,678	\$ 3,700,807

* Includes Interest Earnings - Per Virginia Acts of Assembly - Chapter 732 - §3-3.03 - Approved April 10, 2016, the State Comptroller shall allocate revenue for interest earnings effective FY2016. Interest Earnings had not been allocated since FY2010.

** Prior to October 1, 2014 and the implementation of the Commonwealth's new financial accounting and reporting system (Cardinal) all payments immediately reduced cash when processed (in CARS). The new Cardinal financial system operates on a modified accrual basis and cash balances are not affected until the voucher's due date. The Cardinal system generates an offsetting entry to a liability account (accounts payable) when the voucher is processed. Once the voucher due date arrives, the payment is made, the liability is relived and cash is now reduced.

*** Non-general fund Transfers required by Virginia Acts of Assembly Part 3-1.01F for expenses incurred by central service agencies due on or before June 30.

**Virginia Board of Accountancy
Financial Report
Revenue by Fee Type
Source: VBOA Licensing System (MLO)**

Fee Type	FY2020 - YTD as of 9/30/19	FY2019 - YTD as of 9/30/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Application Fee	\$ 68,230	\$ 74,770	\$ 300,895	\$ 309,965	\$ 333,960
(a) Re-Exam Application	\$ 24,640	\$ 24,980	\$ 95,420	\$ 90,580	\$ 115,480
(b) Renewal Fee	\$ 71,440	\$ 592,030	\$ 2,328,986	\$ 1,859,054	\$ 2,086,540
Reinstatement Fee	\$ 21,600	\$ 13,450	\$ 63,600	\$ 64,570	\$ 45,775
Duplicate Wall Certificate Fee	\$ 400	\$ 625	\$ 1,850	\$ 1,950	\$ 1,775
License Verification Fee	\$ 5,175	\$ 5,925	\$ 18,950	\$ 20,025	\$ 20,487
CPA Exam Score Transfers	\$ 675	\$ 525	\$ 1,950	\$ 2,325	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Administrative Fee	\$ -	\$ -	\$ -	\$ 1,000	\$ 5,100
Bad Check Fee	\$ 50	\$ -	\$ 50	\$ 150	\$ 50
Total Revenue	\$ 192,210	\$ 712,305	\$ 2,811,701	\$ 2,349,619	\$ 2,616,342
(c) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 123,480	\$ 713,217	\$ 2,870,760	\$ 2,338,729	\$ 2,604,132
(d) Difference	\$ 68,730	\$ (912)	\$ (59,059)	\$ 10,890	\$ 12,210

NOTES:

- (a) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (b) Renewal Fee also includes associated late fees prior to FY19.
- (c) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (d) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**Virginia Board of Accountancy
Financial Report
Accounts Receivable
As of September 30, 2019**

	FY2020 - YTD as of 9/30/19	FY2019 - YTD as of 9/30/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Fines levied	\$ 25,450	\$ 30,150	\$ 221,523	\$ 326,285	\$ 187,925
Fines collected	\$ 24,990	\$ 48,527	\$ 191,199	\$ 258,879	\$ 198,771
Fines on appeal	\$ 25,000	\$ -	\$ 250	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 33,359	\$ 73,666	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 656,423	\$ 592,206	\$ 654,093	\$ 592,222	\$ 591,400

NOTE:

(a) All accounts uncollected after one year are deemed uncollectible, are written off of the VBOA's financial account records, and are no longer recognized receivables for financial reporting purposes; however, the legal obligation to pay the debt still remains.

Board Report as of September 30, 2019

<i>Period Ending</i>	09/30/19	06/30/19	6/30/18
REGULANTS			
Individuals			
Active, licensed CPAs	26,643	26,282	26,318
Active-CPE Exempt, licensed CPAs	1,840	1,784	1,585
Total Licensed CPAs	28,483	28,066	27,903
YTD			
Out-of-state licensees	8,575	8,435	8,330
Reinstatements - Individuals	58	162	178
New CPA licenses issued	368	1,133	1,227
Expired/Vol. surrendered/Suspended licenses	28	778	1,177
Exam Candidates			
Number of first time exam candidates	319	1,624	1,675
Firms			
Total active, licensed CPA firms	1,146	1,126	1,177
Reinstatements - Firms	3	10	10
New CPA firm licenses issued	18	38	74
Expired/Voluntary surrendered firm licenses	1	79	74
ENFORCEMENT YTD			
Number of new enforcement cases ¹	8	49	85
<i>Types of Complaints</i>			
Unlicensed activity	7	14	20
Other disciplinary matters	1	35	65
CPE COMPLIANCE REVIEWS			
	As of 11/11/2019	Yearly Total	Yearly Total
Number of CPE audits requested ²	395	1,699	2,402
<i>Status of CPE Compliance Reviews</i>			
Audits resulting in compliance	114	1,116	2,001
Audits resulting in deficiency	5	145	401
Audits resulting in surrender of license	2	9	32
Audits resulting in suspension of license	-	5	23
Audits open/pending review	274	438	-
CPE Audit Deficiency Rate	6%	12%	18%

¹ Numbers do not include cases resulting from CPE Deficiencies

² CPE audits selected through March 2019 - NASBA Implementation

Status of Open Cases as of November 12, 2019

By Days Open

Case Statistics	
All Cases	115
Open Cases (Non-CPE)	55
≥ 160 Days	41

Source of Referrals	
Internal	72
Licensing	
» Self-Report	0
» Failure to Disclose	1
» Eligibility	1
Enforcement	10
CPE Division	60
Interagency	8
AICPA	1
FSBA	2
DOL	1
NASBA	1
Other State BOA	2
State of Hawaii	1
Public	35
Anonymous	6
Named	29

Open Case Status for Non-CPE Cases

1 Investigation Ongoing	21
2 Pending Investigative Report	10
3 Pending Probable Cause Review	9
4 Pending IFF	1
5 Pending Presiding Officer's Recommendation/Consent Order	8
6 Pending Signed Consent Order from Respondent	1
7 Pending Board Approval	4
8 Pending Board Request for Add'l Info	1
9 Deferred (Pending Trial, Litigation, Regulatory Review, etc.)	0

Types of Open Cases

PR Peer Review	4
CPE CPE Deficiency	60
D Disciplinary	28
E Eligibility	1
U Unlicensed Activity	22
» Firms	9
» Individuals	13

Status of Open Cases as of November 12, 2019

By Days Open

Case No.	Case Summary	Next Action	Days Open
2015-D0012	Lack of Due Professional Care	Pending completion of probable cause review following submssion for review on 9/30/2019	1087
2016-0007PR	CPA Firm Dropped from AICPA Peer Review Program	Pending receipt of additional information from AICPA to clarify issue regarding peer review.	978
2016-0010U	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending completion of probable cause review following submssion for review on 11/8/2019	972
2016-0019PR	CPA Firm Dropped from AICPA Peer Review Program	Pending final draft of Consent Order	950
2016-0005D	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending IFF	947
2016-0013D	Lack of Due Professional Care	Pending Investigative Report	910
2016-0017D	Lack of Due Professional Care	Locate file	858
2017-086-022U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	669
2017-085-006D	CPE Compliance	Recommendation for closure submitted to ED on 11/8/2019	668
2017-117-026U	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending final draft of Consent Order	648
2017-098-010D	Lack of Due Professional Care	Pending Board Approval (Nov. Board Mtg)	647
2019-108-019D	False, Misleading or Deceptive Acts in Promoting or Marketing Professional Services	Pending completion of probable cause review following submssion for review on 10/23/2019	474
2019-109-005U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending completion of probable cause review following submssion for review on 10/23/2019	474
2018-161-005D	Lack of Due Professional Care	Pending Signed Consent Order from Respondent submitted for consideration on 11/11/2019	429

Status of Open Cases as of November 12, 2019

By Days Open

Case No.	Case Summary	Next Action	Days Open
2018-243-010D	Lack of Due Professional Care	Pending Investigative Report	399
2019-041-003D	Lack of Due Professional Care	Pending Investigative Report	399
2018-425-005U	Unlicensed Use of CPA Title	Pending Investigative Report	378
2019-042-004D	Lack of Due Professional Care	Investigation Ongoing	369
2018-371-014D	Lack of Due Professional Care	Pending Investigative Report	357
2018-436-024D	Lack of Due Professional Care	Investigation Ongoing	336
2018-433-001R	Failure to Enroll in Peer Review Program	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	327
2018-435-023D	Failure to Enroll in Peer Review Program	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	327
2018-437-025D	Lack of Due Professional Care	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	315
2019-178-101D	Action by Other State Board of Accountancy	Investigation Ongoing	315
2018-459-011U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending completion of probable cause review following submssion for review on 10/23/2019	314
2018-460-027D	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending completion of probable cause review following submssion for review on 10/23/2019	314
2018-457-009U	Unlicensed Use of CPA Title	Pending Presiding Officer Recommendation/Consent Order	310
2018-458-010U	Unlicensed Use of CPA Title	Pending completion of probable cause review following submssion for review on 11/7/2019	310
2018-523-030D	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Board Approval (Jan. Board Mtg)	292
2018-520-013U	Unlicensed Use of CPA Title	Pending Board Approval (Nov. Board Mtg)	289
2019-037-001U	Unlicensed Use of CPA Title	Investigation Ongoing	261

Status of Open Cases as of November 12, 2019

By Days Open

Case No.	Case Summary	Next Action	Days Open
2019-039-002D	Lack of Due Professional Care	Investigation Ongoing	261
2019-048-020D	Lack of Due Professional Care	Pending Investigative Report	235
2019-099-004U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	209
2019-085-018D	Lack of Due Professional Care	Investigation Ongoing	199
2019-117-008U	Unlicensed Use of CPA Title	Investigation Ongoing	197
2019-118-009U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	197
2019-114-005E	Licensure Eligibility	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	194
2019-136-011U	Unlicensed Use of the CPA Title	Pending Board Approval (Nov. Board Mtg)	192
2019-179-015U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	175
2019-130-097D	Action by Other State Board of Accountancy	Investigation Ongoing	166
2019-044-020D	Lack of Due Professional Care	Pending Investigative Report	155
2019-131-010U	Unlicensed Use of CPA Title	Investigation Ongoing	133
2019-133-099D	Lack of Due Professional Care	Investigation Ongoing	121
2019-046-008U	Unlicensed Use of CPA Title	Pending Investigative Report	108
2019-135-101D	Lack of Due Professional Care	Pending completion of probable cause review following submission for review on 11/8/2019	107
2019-134-100D	Complaint alleges that respondent embezzled money from company for which he was providing payroll services.	Investigation Ongoing	101
2019-177-014U	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	100
2019-129-009U	Unlicensed Use of the CPA Title	Pending Investigative Report	86

Status of Open Cases as of November 12, 2019

By Days Open

Case No.	Case Summary	Next Action	Days Open
2019-174-012U	Unlicensed Use of the CPA title	Pending Investigative Report	70
2019-211-103D	Lack of Due Professional Care	Investigation Ongoing	67
2019-176-014U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending completion of probable cause review following submission for review on 11/8/2019	50
2019-193-015U	Unlicensed Use of the CPA Title	Investigation Ongoing	51
2019-212-016U	Unlicensed Use of the CPA Title	Investigation Ongoing	51
2019-213-017U	Unlicensed Use of the CPA Title	Investigation Ongoing	34

VBOA Policy #1

Trust Account

TITLE:

EFFECTIVE DATE:

AUTHORITY:

POLICY STATEMENT:

[To be determined]

Code of Virginia § 54.1-4405.1

The Trust Account provides a supplemental source of funds to the Virginia Board of Accountancy (VBOA) on a timely basis for (1) its use in the study, research, investigation or adjudication of matters involving possible violations of the provisions of Virginia accountancy statutes or Board regulations or (2) any other purpose that the VBOA determines germane to its statutory purposes.

It is the policy of the VBOA to begin the fiscal year with funds in the operating account equal to the annual, board approved, operating budget. Funds exceeding this amount shall be maintained in the Trust Account. Any additional transfers during that fiscal year from the Trust Account to the operating account requires additional board approval.

Annually, the VBOA shall evaluate and approve the minimum balance in the Trust Account using a 5-year forecast to determine if a fee adjustment is necessary. The annual evaluation shall consider the VBOA's needs as it relates to the purpose for the Trust Account, and on the national climate and experiences of other state boards of accountancy.

APPROVAL AND REVIEW:

This VBOA policy was reviewed on [to be determined].

SUPPRESSION:

This VBOA policy replaces Board Policy #1 that was effective on April 30, 2015.

VBOA CHAIR AT

LAST REVIEW:

D. Brian Carson, CPA, CGMA,

VBOA MEMBERS AT

LAST REVIEW:

Laurie A. Warwick, CPA Vice Chair
Matthew P. Boshier
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Nadia A. Rogers, CPA
Stephanie S. Saunders, CPA

EXECUTIVE DIRECTOR: Nancy J. Glynn, CPA

11/8/2019

18VAC5-22-90. Continuing professional education.

A. If during the current calendar year a person holds a Virginia license and has not been granted an exemption from meeting continuing professional education requirements by the board pursuant to subsection C of this section, he shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours, which conforms to the requirements prescribed by the board. If a person holds an active license in another state and his principal place of business is not located in Virginia and:

1. ~~If the person also holds the license of another state and Virginia is not his principal place of business, the ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the board or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.~~ the other state has a continuing professional education requirement for ethics, he is eligible for an exemption from meeting the continuing professional education requirements of Virginia if he meets the continuing professional education requirements in the other state in which he holds an active license, or
2. ~~Otherwise, the ethics course shall conform to the requirements prescribed by the board.~~ the other state does not have a continuing education requirement for ethics, he is eligible for an exemption from meeting the continuing professional education requirements of Virginia if he meets the continuing professional education requirements in the other state in which he holds an active license and in addition he meets the continuing professional education requirement for ethics in Virginia as prescribed by the board.

B. If during the current calendar year a person who holds a Virginia license provided services to the public or to or on behalf of an employer, has not been granted an exemption by the board pursuant to subsection C of this section, and did not hold a Virginia license or the license of another state during one or both of the two preceding calendar years, he shall determine whether he has complied with the requirements of subsection A of this section as follows:

1. If the person became licensed during the current calendar year, he shall be considered to have met the requirements of subsection A of this section for the three-calendar-year period ending with the current calendar year.
2. If the person became licensed during the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year he obtained at least the minimum number of hours of continuing professional education required by subsection A of this section for the current calendar year, including an ethics course of at least two hours.
3. If the person became licensed during the calendar year prior to the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year and the preceding calendar year he obtained at least the minimum number of hours of continuing professional education required by subsection A of this section for each of the years, including for each year an ethics course of at least two hours.

C. If during the current calendar year a person who holds a Virginia license did not provide services to the public or to or on behalf of an employer, ~~including on a volunteer basis, and has demonstrated to the board that he does not provide these services,~~ has been granted an exemption from continuing professional education requirements in writing by the board, he is not required to have obtained meet the continuing professional education requirements during the three-calendar-year period ending with the current calendar year. calendar year for which the exemption was granted. Any person who holds a Virginia license to whom an exemption has been granted shall annually affirm and certify to the board his continued eligibility for the exemption ~~in that he does not provide services to the public or to or on behalf of an employer.~~ However, in order to begin providing ~~these services~~ to the public or to or on behalf of an employer, including on a volunteer basis:

1. He is required to have obtained at least 120 hours of continuing professional education prior to providing ~~the~~ services, including an ethics course of at least two hours.
2. The ethics course shall conform to the requirements prescribed by the board for the calendar year in which the person begins providing ~~the~~ services.

Continuing professional education obtained during the three calendar years prior to the current calendar year and from the start of the current calendar year to when he begins providing the services shall be considered in determining whether the person has complied with the requirements of this subsection.

D. If a person who has not held the license of any state applies for a Virginia license within the same calendar year in which he passes the CPA examination, he does not need to obtain continuing professional education for that calendar year. If a person who has not held the license of any state applies for a Virginia license after the end of the calendar year in which he passes the CPA examination, he shall obtain continuing professional education prior to applying for the license, including an ethics course of at least two hours.

1. The required minimum number of hours of continuing professional education shall be 40, 80, or 120 depending on whether he applies for the Virginia license by the end of the first calendar year after the calendar year in which he passes the CPA examination, by the end of the second calendar year, or later.

2. The ethics course shall conform to the requirements prescribed by the board for the calendar year in which the person applies for the license.

Continuing professional education obtained subsequent to passing the CPA examination but during the three calendar years prior to the calendar year in which the person applies for the license and from the start of that calendar year to when he applies for the license shall be considered in determining whether he has complied with this requirement.

E. Any application for a CPA license in Virginia will expire six years from the original application date and a new application with the corresponding fees and requirements will need to be submitted.