

**THE VIRGINIA BOARD OF ACCOUNTANCY
Annual Ethics Committee Meeting**

The Virginia Board of Accountancy (Board) held its annual Ethics Committee Meeting at 10:00 am on Thursday, September 26, 2013 in Board Room #1 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

The following Committee members were present:

Stephanie Saunders, CPA, Board Liaison/Committee Chair
David A. Brat, Ph.D., Board Member
John Ireland, CPA
Elizabeth Oliver, CPA
Don Pallais, CPA
Hartwell Philips, CPA

The Board staff members present were:

Wade A. Jewell, Executive Director
Mary T. Charity, Director of Operations
Nicholas Tazza, Assistant Manager, Licensing and Examinations
Dreana L. Gilliam, Board Administrator/CPE & Peer Review Coordinator

Also in attendance for the entire meeting was:

Linda Newsom-McCurdy, Education Director, Virginia Society of Certified
Public Accountants
Chip Knighton, Communications Specialist, Virginia Society of Certified Public
Accountants

In attendance for a portion of the meeting was:

Emily Walker, Government Affairs Director, Virginia Society of Certified
Public Accountants

CALL TO ORDER

Chairman Saunders called the meeting to order at 10:09 am. She welcomed the members of the committee, VBOA staff, and the members of the public. She also thanked the committee members for their participation and willingness to serve. She then asked those in attendance to introduce themselves.

Ms. Saunders polled the members for any additions or revisions to the agenda. No additions/revisions were declared. She then turned the floor over to Ms. Gilliam.

2014 ETHICS COMMITTEE'S CHARGE

Ms. Gilliam led the discussion regarding the committee's charge. The committee meets annually for the purpose of developing the VBOA annual Ethics CPE outline for licensees and exam candidates. Utilizing the ideas and suggestions of the members a draft outline is constructed and presented to the full Board for approval. Upon final approval the outline is posted to the VBOA website for use by CPE sponsors to develop the course and licensees to ensure the course they plan to or have completed is the current year's course

Ms. Saunders recommended that the members take a few minutes to review the 2009 - 2013 ethics outlines. She then opened the floor for member comments regarding topics for the 2014 Ethics outline. Members reviewed and discussed previous year's outlines and selected relevant topics for the FY2014 outline. A handout of the summary of topics for inclusion as provided by the committee members was reviewed and discussed in detail.

Ms. Saunders requested feedback from Mr. Jewell and the Virginia Society of Certified Public Accountants (VSCPA) regarding possible topics for inclusion in the outline. Mr. Jewell suggested the inclusion of the two recently approved statutes (54.1-4424 Certain information not to be made public which became effective July 1, 2012 and 54.1-4425 Time for filing complaints against CPAs and CPA firms which became effective July 1, 2013). Linda Newsom-McCurdy, Education Director, provided a list of comments received from licensees that included but was not limited to the following:

1. Licensees in Industry would like a course that is more relevant to their duties and responsibilities and less focused on public accounting.
2. Attendees were extremely pleased with the inclusion of behavioral issues and examples.
3. Confusion regarding the CPE requirement continues to be an issue (What is required?, What is acceptable?, When is CPE not required?, etc.)

DEVELOP FY2014 OUTLINE

Ms. Saunders led the discussion regarding topics for inclusion in the FY2014. Following a comprehensive discussion, the members formulated a list of FY2014 ideas for the outline.

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DEVELOP FY2014 OUTLINE - *continued*

Ms. Saunders provided a review of the FY14 Ethics Mandatory topics and the Top 10 list as agreed upon by the committee. She advised the members that information was readily

available for some of the topics; however, some assistance would be necessary by members of the committee for other topics.

ADDITIONAL ITEMS FOR DISCUSSION

Ms. Saunders led the discussion regarding the committee's recommendation of renewal audits and approval of course providers. The members unanimously agreed that renewal audits requiring the licensees to select "yes", I have completed the Virginia-specific ethics course (and possibly entering the name of the sponsor and date the course was completed). In the event a licensee selects "no", I have not completed the Virginia-specific ethics course they would be directed to the VSCPA version of the Virginia-specific course or another approved sponsor of the course.

The committee also recommended that the Board consider "approving", at a minimum, all courses, with instructors to be practicing CPA's, or more desirable would be selecting the VSCPA as the sole provider of this course (while allowing other individuals/companies the option of "purchasing" the course from the VSCPA). Mr. Jewell plans to discuss this with the Board's Legal Counsel.

NEXT STEPS

Following the meeting, Mr. Jewell, Ms. Charity and Ms. Gilliam will develop the format for the outline, relevant materials and then submit the information to the members for comment. The members will respond with comments and suggestions. The full board will also have to approve the outline and it is our goal to make the draft outline available for review at the October 1, 2013 meeting. Following full board approval and completion of outline/material development, the outline will be posted on the VBOA website for Virginia licensed CPAs and CPE sponsors offering the course.

TRAVEL EXPENSE VOUCHERS

Ms. Saunders asked the members to complete and sign their travel expense vouchers.

ADJOURNMENT

There being no further business before the VBOA Ethics CPE Committee, the meeting was adjourned at 1:14 pm.

APPROVED:

Stephanie Saunders, Committee Chairman

COPY TESTE:

Wade Jewell, Executive Director