

**Board Meeting: June 11, 2024
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on June 11, 2024, in Board Room #1 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
- Dale G. Mullen
- Angela Rudolph-Wiseman, CPA
- Laurie A. Warwick, 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
- Veronica Paulson, Administrative Assistant
- Kelli Yoder, Communications Coordinator

Members of the public present:

- Emily Walker, CAE, Vice President, Advocacy & Pipeline, VSCPA
- Stephanie Peters, CEO, VSCPA
- Javier Pagan, CPA
- Elizabeth Miller, CPA
- Kristen Hundley, CapTech
- W. Barclay Bradshaw, CPA

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CALL TO ORDER

Ms. Lewis called the meeting to order at 10 a.m.

SECURITY BRIEFING

Ms. Paulson 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 June 11, 2024, agenda as presented. The members voting “AYE” were Ms. Lewis, Ms. Rogers, Mr. Cotton, Mr. Mullen, Ms. Rudolph-Wiseman, and Ms. Warwick.

APPROVAL OF MINUTES

- Upon a motion by Mr. Mullen, and seconded by Mr. Cotton, the members voted unanimously to approve the May 15, 2024, Board meeting minutes as revised. The members voting “AYE” were Ms. Lewis, Ms. Rogers, Mr. Cotton, Mr. Mullen, Ms. Rudolph-Wiseman, and Ms. Warwick.

PUBLIC COMMENT PERIOD

Ms. Walker addressed the Board members regarding updates in the Pipeline Acceleration Plan within the AICPA. She informed the Board that there is a major initiative to increase the CPAs in the Classroom program and the goal is to have 100 high school classroom visits this year. Ms. Walker also indicated that the VSCPA has a Task Force looking at the National Pipeline Advisory Group Report to develop recommendations for Virginia.

ENFORCEMENT PUBLIC COMMENT PERIOD

Javier Pagan, CPA, addressed the Board regarding enforcement case #2024-0073.

Elizabeth Miller, CPA, addressed the Board regarding enforcement case #2024-0128.

ENFORCEMENT AGENDA

The following actions were taken during open session:

Case #2024-0085, 2024-0128, 2024-0126, and 2024-0074

Upon a motion by Mr. Mullen and duly seconded by Ms. Rudolph-Wiseman, the consent orders for enforcement file numbers 2024-0085, 2024-0128, 2024-0126 and 2024-0074, were approved to be considered and voted on as a block by the board.

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CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen - Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye (Abstained from cases #2024-0128 and #2024-0126)

Laurie A. Warwick, CPA – Aye (Abstained from case #2024-0085)

Upon a motion by Mr. Mullen and duly seconded by Ms. Rudolph-Wiseman, the consent orders for enforcement file numbers 2024-0085, 2024-0128, 2024-0126 and 2024-0074, were all approved by the board.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen - Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye (Abstained from cases #2024-0128 and #2024-0126)

Laurie A. Warwick, CPA – Aye (Abstained from case #2024-0085)

Case #2024-0041

Upon a motion by Mr. Mullen and duly seconded by Ms. Rudolph-Wiseman, the board voted to reject the consent order due to a typographical error.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen – Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye

Laurie A. Warwick, CPA – Aye

Case #2023-0171

Ms. Rudolph-Wiseman and Ms. Warwick left the room and were not present for the discussion or vote in 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

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fact-finding conference.

After discussion, a motion was made by Mr. Cotton and duly seconded by Ms. Rogers, 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 54.1-4412.1(A), (B) and (D) (6), 18VAC5-22-150 and 18VAC5-22-90. The board imposed the recommended penalties of \$27,050.00 and required that respondent provide, in writing, notice to the entities for which it prepared audit reports without proper licensure and/or being enrolled in peer review, that respondent provide proof of completion of 120 hours of CPE and the current years Virginia Specific Ethics Course within 90 days, and that respondent shall be subject to a CPE compliance review for the period of 2024, 2025 and 2026.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

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

Ms. Rudolph-Wiseman and Ms. Warwick returned to the room.

Case #2022-0701

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. Cotton and duly seconded by Ms. Rogers, 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 there was no violation of the board's regulations or Code of Virginia by the respondent.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
Nadia A. Rogers, CPA – Aye
Angela Rudolph-Wiseman, CPA – Aye
Laurie A. Warwick, CPA – Aye

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VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

Case #2023-0321

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. Warwick and duly seconded by Mr. Cotton, to adopt the presiding officer recommendation and incorporate it as part of the board's final order, with the addition, respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's Order. The board found by substantial evidence that the respondent violated 18VAC5-22-90 and that an advisory letter with reference to Code of Virginia 54.1-4413.3 should be issued regarding the public complaint filed against respondent. For the violation of 18VAC5-22-90, the board imposed the following penalties: \$1,700.00 monetary penalty, that respondent be subject to a future CPE compliance review for the period of 2024, 2025 and 2026 and that respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's order.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen – Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

Case #2024-0057

Ms. Glynn left 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.

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Upon a motion by Mr. Cotton and duly seconded by Ms. Rogers, the members voted to reject the recommendation and remanded the matter back to an informal fact-finding conference for the purpose of gathering additional information regarding the acceptability of CPE documents contained in the record.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen – Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

Case #2024-0058

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 Ms. Rudolph-Wiseman and duly seconded by Ms. Rogers, to adopt the presiding officer recommendation and incorporate it as part of the board's final order, with the addition, respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's order. The board found by substantial evidence that the respondent violated the board's CPE regulation 18VAC5-22-90 and Code of Virginia 54.1-4413.3 (7) when falsely certifying compliance with the CPE regulation during license renewal. The board imposed the following penalties: \$1,950.00 monetary penalty, that respondent be subject to a future CPE compliance review for the period of 2024, 2025 and 2026 and that respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's order.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Abstain

Wendy P. Lewis, CPA – Aye

Dale G. Mullen - Aye

Nadia A. Rogers, CPA – Aye

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Angela Rudolph-Wiseman, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

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

Case #2024-0066

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. Rogers, to adopt the presiding officer recommendation and incorporate it as part of the board's final order, with the addition, respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's Order. The board found by substantial evidence that the respondent violated the board's CPE regulation 18VAC5-22-90 and Code of Virginia 54.1-4413.3 (7) when falsely certifying compliance with the CPE regulation during license renewal. The board imposed the following penalties: \$1,950.00 monetary penalty, that respondent be subject to a future CPE compliance review for the period of 2024, 2025 and 2026 and that respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's order.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen – Aye
Nadia A. Rogers, CPA – Aye
Angela Rudolph-Wiseman, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

Case #2024-0068

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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. Rogers, to adopt the presiding officer recommendation and incorporate it as part of the board's final order, with the addition, respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's Order. The board found by substantial evidence that the respondent violated the board's CPE regulation 18VAC5-22-90 and Code of Virginia 54.1-4413.3 (7) when falsely certifying compliance with the CPE regulation during license renewal. The board imposed the following penalties: \$1,950.00 monetary penalty, that respondent be subject to a future CPE compliance review for the period of 2024, 2025 and 2026 and that respondent shall submit proof of completion for 120 hours of CPE, which do not count towards the current year's CPE requirements, and the 2024 Virginia Specific Ethics Course, within 90 days of the board's order.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye
Wendy P. Lewis, CPA – Aye
Dale G. Mullen - Aye
Nadia A. Rogers, CPA – Aye
Angela Rudolph-Wiseman, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

Case #2024-0073

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 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 Code of Virginia 54.1-111 (A)(2), 54.1-4409.1(A) and 54.1-4414 (i) (2) and (4). The Board imposed the recommended penalty of a \$750

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monetary penalty.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Nay

Wendy P. Lewis, CPA – Aye

Dale G. Mullen - Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Five (5)

Abstain: None (0)

Nays: One (1)

Case #2023-0215

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

The board members reviewed the request from the respondent in this matter to grant him a request to extend the time for payment of monetary penalties under the board's previous order.

After discussion, a motion was made by Mr. Cotton and duly seconded by Ms. Rogers, to grant the respondent an extension of 120 days to pay the monetary penalties assessed pursuant to the Board previous order.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

Wendy P. Lewis, CPA – Aye

Dale G. Mullen – Aye

Nadia A. Rogers, CPA – Aye

Angela Rudolph-Wiseman, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Abstain: None (0)

Nays: None (0)

Ms. Glynn returned to the room.

NASBA COMMITTEE UPDATES

NASBA 2024 Eastern Regional Meeting

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Ms. Warwick updated the Board regarding the NASBA 2024 Eastern Regional Meeting held June 4-6, 2024, in Louisville, Kentucky. She noted the attendance of Ms. Rudolph-Wiseman and Ms. Rogers. The agenda included new board member orientation, the Professional Licensure Task Force Report, and a discussion on SPP and Private Equity Ownership and Independence. Ms. Warwick reported there was a Student Panel discussion with accounting students, and they discussed student engagement and opportunities for states to increase outreach.

Ms. Rudolph-Wiseman reported to the Board her attendance of the new board member orientation. She found the orientation to be very helpful and focused primarily on the formalities of the position.

AICPA Board of Examiners Update

Ms. Rogers informed the Board of the pass rates for Q1 of 2024—the first score release of the new CPA Exam. The CPA Exam pass rates for the Core sections were AUD 44.63%, FAR 41.92%, and REG 63.42% and for the Discipline sections were BAR 42.94%, ISC 50.93%, and TCP 82.36%.

BOARD DISCUSSION TOPICS

New Licensing System Update

Ms. Hundley presented the Board the CapTech Project Status Report to give an update on the Licensing system. Ms. Hundley fielded questions from the Board and agreed to provide the complete contract schedule and milestone statuses at future Board Meetings.

EXECUTIVE DIRECTOR'S REPORT

General updates

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

- Ms. Glynn discussed code changes going into effect July 1, 2024, and implementation strategies. Ms. Glynn noted that emphasis is being placed on clarifying CPA firm use of title and she has begun working on a communication plan.
- Ms. Glynn updated the Board that the 2024 Board Appointments have not been announced by the Governor.

Financial and Board Report update

Ms. Reinholtz presented and fielded questions regarding the May 2024 Financial and Board Reports and presented the FY 2025 Operating Budget.

Upon a motion by Mr. Cotton and duly seconded by Ms. Rogers, the members voted to accept the FY2025 Operating Budget as presented.

CALL FOR VOTE:

David Cotton, CPA, CFE, CGFM – Aye

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

VOTE:

Ayes: Six (6)
Abstain: None (0)
Nays: None (0)

Enforcement update

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

Communications Update

Ms. Yoder presented the Board with an overview of renewal communications that have been sent to Active Individual, Inactive Individual and Firm CPA licensees—including emails, phone calls, text messages and post cards.

She noted that the next “Accrued Interest” newsletter is planned for summer 2024.

Ms. Yoder also provided a regulatory update. The Enforcement Processes has been submitted for a comment period on Town Hall and staff is working on the Unified Regulatory Plan for FY 2025.

BOARD DISCUSSION TOPICS, continued

Peer Review Exposure Draft response

Ms. Rogers presented the Peer Review Oversight Committee’s (PROC) response to the *Reviewing a Firm’s System of Quality Management and Omnibus Technical Enhancements* Exposure Draft dated Nov. 16, 2023. The PROC largely agreed with the proposed changes, but did provide recommendations for consideration that would improve the consistency and clarity of the standards.

Mr. Cotton noted that the NASBA Regulatory Response Committee responded to the Exposure Draft in a similar manner.

FY 2025 Strategic Initiatives Draft Report

Ms. Lewis led the Board in a discussion of the 2024-25 Strategic Plan and Implementation Recommendations document created by John Sarvay, Floricane, LLC, after the May 15, 2024, Board Meeting. A restructured document will be shared with the Board at its August 2024 meeting.

Celebration of Laurie Warwick

Ms. Lewis read aloud the Board resolution to commend Laurie Warwick and declare June 11, 2024, as Warwick Recognition Day.

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Each Board member thanked Ms. Warwick for her leadership and commitment to the Board and to the profession. Ms. Peters, Mr. Bradshaw, and Ms. Glynn also expressed appreciation for Ms. Warwick and her contributions during her tenure.

RECESS FOR LUNCH 1:00 p.m.

RECONVENE 1:30 p.m.

Upon a motion by Ms. Rogers, and duly seconded by Ms. Rudolph-Wiseman, 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 a matter lawfully exempted from open meeting requirements under the ‘Legal advice regarding specific legal matters’ exemption contained in Virginia Code §2.2-3711 (A)(8) and disciplinary matters exemption contained in Virginia Code §2.2-3711(A) (27).

The following non-members will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn, Matthew Ross, and James Flaherty.

The members voting “AYE” were Mr. Cotton, Ms. Lewis, Mr. Mullen, Ms. Rogers, Ms. Rudolph-Wiseman, and Ms. Warwick.

End closed meeting

Upon a motion by Ms. Rogers, and duly seconded by Ms. Rudolph-Wiseman, the Virginia Board of Accountancy 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.

The members voting “AYE” were Mr. Cotton, Ms. Lewis, Mr. Mullen, Ms. Rogers, Ms. Rudolph-Wiseman, and Ms. Warwick.

ADDITIONAL ITEMS FOR DISCUSSION

- Sign Conflict of Interest forms
- Sign Travel Expense vouchers
- Future meeting dates:
 - Aug. 29, 2024
 - Oct. 22, 2024
 - TBD Virginia Tech Fall Campus Meeting

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ADJOURNMENT

There being no further business before the VBOA, Ms. Lewis adjourned the meeting at 2:24 p.m.

APPROVED:

Wendy P. Lewis, CPA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director

DRAFT