

West Virginia Board of Accountancy

405 Capitol Street, Suite 908
Charleston, West Virginia 25301-1744



Board Members:
Reed J. Tanner, CPA - President
Jon W. Cain, Sr., CPA - Vice President
David D. Hill, CPA - Secretary
Barry L. Burgess, CPA - Assistant Secretary
Louis J. Costanzo, III, CPA
Donald B. Nestor, CPA

Earl Ray Tomblin, Governor

Brenda S. Turley, Executive Director

Friday, July 22, 2016 9:30 a.m. Minutes

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The Board of Accountancy met on Friday, July 22, 2016 at 9:30 a.m. in the Board of Accountancy Conference Room. Board members in attendance were Board President Louis J. Costanzo, Reed J. Tanner, Jon W. Cain, David Hill, Barry Burgess, and Don Nestor. Also in attendance were Katherine Campbell, West Virginia Assistant Attorney General; Brenda Turley and Stefani Young, Board staff; and Judy Proctor, CEO, West Virginia Society of CPAs.

The meeting was called to order at 9:30 a.m. by Board President, Lou Costanzo.

Upon motion by David Hill and second by Barry Burgess, the minutes of the April 22, 2016 meeting were approved as circulated. Motion carried.

1. Exam

- ▶ Upon motion by David Hill and second by Jon Cain, the Board approved the Successful Candidates for 2016 Q2. Motion carried.
- ▶ To achieve consistency in foreign transcript evaluation, upon motion by Jon Cain and second by David Hill, effective January 1, 2017, the Board adopted NASBA International Evaluation Services Inc. (NIES) as the sole provider for these services.

2. Financial

- ▶ The Board received the *Receipts and Disbursements Report* for the period ending June 30, 2016 as follows:

| | |
|--------------------------------------|-------------------|
| Beginning Cash Balance, July 1, 2015 | \$597,949.56 |
| Total Receipts | 371,965.23 |
| Total Disbursements | (338,326.19) |
| Ending Cash Balance, June 30, 2016 | <u>631,588.60</u> |

- ▶ Upon motion by Reed Tanner and second by Jon Cain, the Board ratified 2016 Q-2 p-card expenditures. Motion carried.

3. Legislation

- ▶ The Executive Director gave an oral report on the progress to date for becoming eligible to implement criminal background checks for first-time-license applicants.
- ▶ The Executive Director reported that Board Rules and Rules of Professional Conduct were final filed on June 30, 2016 and effective July 1, 2016. The Rules were approved as filed on July 7, 2016.

4. CPE/Licensure

- ▶ The Board reviewed the listing of those who had not renewed their licenses, authorizations or firm permits for FY 2017.

- ▶ The Board reviewed the listing of 49 licensees who did not meet CPE compliance for calendar year 2015 as well as the CPE audit conducted for the periods to include 2012 to 2015 calendar years.
- ▶ The Board reviewed the information provided by NASBA regarding NIES services for evaluating the experience of foreign applicants and upon motion by David Hill and second by Jon Cain the Board adopted the NIES evaluation as a prerequisite for foreign candidates making application for licensure.
- ▶ The Executive Director provided an oral report regarding the Office of the Secretary of State's approval of PLLC and Incorporation applications of CPA firms. The Board determined that the Executive Director should write a letter to the Secretary of State's office requesting that they observe the Board's requirements for firm application and to confirm that the firm has provided documentation of board approval before authorizing the business formation.

5. Peer Review

- ▶ The Board reviewed the correspondence from Susan Coffey, AICPA Senior Vice-President of Public Practice and Global Alliances, regarding changes in the administration of the Peer Review Program as well as the information provided regarding the *Proposed Evolution of Peer Review Administration*.
- ▶ The Board reviewed the correspondence from Susan Coffey, regarding more timely communication between AICPA and the state regulatory boards when an individual is disciplined for failure to comply with the Code of Professional Conduct and when the firm's enrollment in the AICPA Peer Review Program is dropped or terminated due to non-cooperation with Program requirements.

6. Technology

- ▶ Board staff gave a report regarding the status of the e-licensing project acquired in January 2016. The second of five \$9,200 payments have been released. Board staff requested input from Board members regarding whether the applicant needs to provide a full copy of the application in order for character references to sign off on a person's character. The Board members determined that it was not necessary for character references to review the entire document.
- ▶ Board staff gave a status report regarding the license application scan project. Staff reported that we currently have 25 boxes of materials to be sent out for shredding and 12 banker boxes of documents ready for scanning.

7. Other

- ▶ Board staff gave an oral report regarding the status of the Hodge litigation.
- ▶ Board members discussed the October 21, 2016 Board meeting which will be held on West Virginia University's campus. The Board directed the Executive Director to contact the Ethics Commission to find out if the Board can provide food to those that attend the Thursday evening meeting with the students.
- ▶ The Board received copies of the first e-Newsletter provided in partnership with NASBA.
- ▶ Board members instructed the Executive Director to write a letter to BRIM to determine if they have coverage against antitrust litigation in discharging their duties while acting as agents for the Board. Board staff to also inquire if BRIM covers litigation that may result after a member is no longer serving.

8. Complaints

- ▶ Upon motion by David Hill and second by Jon Cain, the Board went into Executive Session at 11:30 a.m. pursuant to W. Va. Code § 6-9A-4 to consider disciplinary matters. Motion Carried.

- ▶ Upon Motion by Barry Burgess and second by Don Nestor, the Board came out of Executive Session at 12:05 p.m. and made the following actions part of the record.
- ▶ **2013-01** Board members were informed that the probationary period for the licensee would be ending on August 14, 2016. Upon motion and second, Board members agreed that on August 14, 2016 the Executive Director would provide a letter to the licensee informing him that his license has been restored to that of "Active" status. Case to be administratively closed on August 14, 2016. Motion carried.
- ▶ **2013-07** Upon motion and second, Board members directed the Executive Director to provide an invoice to the licensee for fees incurred as a result of this complaint. This matter is continued. Motion carried.
- ▶ **2016-03** Upon motion and second, Board members determined there was no violation, that the complaint was outside the jurisdiction of the Board and to close this matter. Motion carried.
- ▶ **2016-04** Upon motion and second, this case was deferred until the next meeting. This matter is continued. Motion carried.
- ▶ **2016-05** This matter had nothing to report inasmuch as the Board was waiting for the proper documents from the Court. This matter is continued.
- ▶ **2016-06** Upon motion and second, the Board agreed to contract with an expert to review the complaint and advise the Board regarding his assessment. This matter is continued. Motion carried.
- ▶ **2016-07** Upon motion and second, the Board determined that since the licensee no longer has an authorization to provide attest/compilation services, that the matter should be dismissed with a letter notifying the licensee that he is no longer allowed to perform these services until he is enrolled in a Peer Review Program that is acceptable to the Board. The Executive Director to draft the letter with a review by the Assistant Attorney General. Motion carried.
- ▶ **Feamster** Upon motion and second, Board members directed Assistant Attorney General Katherine Campbell to file a motion in Greenbrier County for contempt in violation of an order granting default judgment. Motion carried.

9. Election of Officers

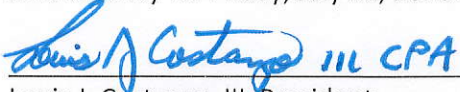
- ▶ Board President Lou Costanzo presented the following slate of officers for consideration by Board members to serve for the current fiscal period. Upon motion by Don Nestor and second by Jon Cain, the Board agreed to adopt the slate of officers as presented. Motion carried.

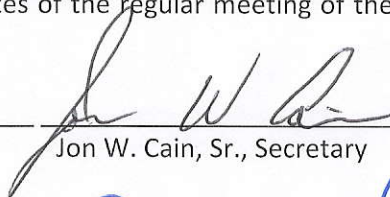
Reed Tanner President
Jon Cain Vice-President

David Hill Secretary
Barry Burgess Assistant Secretary

With no further business to come before the Board, upon motion made by Don Nestor and second by Barry Burgess, the meeting was adjourned at 12:15 p.m. Board members signed certificates and approved exam and license applications.

We certify that this is a true copy of the Minutes of the regular meeting of the West Virginia Board of Accountancy for Friday, July 22, 2016.


Louis J. Costanzo, III, President


Jon W. Cain, Sr., Secretary


Brenda S. Turley, Acting Recorder


David D. Hill, Assistant Secretary