

**West Virginia**  
**Board of Accountancy**  
405 Capitol Street, Suite 908  
Charleston, West Virginia 25301-1744



*Board Members:*  
*Jon W. Cain, Sr., CPA - President*  
*Louis J. Costanzo, III, CPA - Vice President*  
*Robin M. Baylous, CPA - Secretary*  
*Richard A. Riley, CPA, PhD, CFE, CFF - Assist Sec.*  
*Horace Emery, CPA*  
*Theodore Lopez, CPA*

Jim Justice, Governor

Brenda S. Turley, Executive Director

**January 19, 2018**

**9:30 a.m.**

**Board Meeting Minutes**

**Page 1 of 4**

The Board of Accountancy met on Friday, January 19, 2018 at 9:30 a.m. in the Board conference room at 405 Capitol Street, Suite 908, Charleston, WV 25301. Board members in attendance were Board President Jon W. Cain, Lou Costanzo, Robin Baylous, Horace Emery, Richard Riley and Theodore Lopez. Matthew Bowles resigned from the Board on January 8, 2018 and the Governor has not appointed a new public member as yet. Board staff in attendance were Brenda Turley and Stefani Young. Assistant Attorney General Katherine Campbell and Michael E. Bevers were also in attendance.

The meeting was called to order at 9:30 a.m. by Jon Cain.

**Approval of Minutes**

- ▶ Upon motion by Lou Costanzo and second by Horace Emery, the Minutes of the September 18, 2017, October 19, 2017, November 16, 2017, and November 27, 2017 were approved as circulated. Motion carried.

**Complaints**

- ▶ Upon motion by Lou Costanzo and second by Robin Baylous, the Board went into Executive Session at 9:37 a.m. to consider disciplinary matters pursuant to W. Va. Code § 6-9A-4. Motion carried. Upon motion by Lou Costanzo and second by Robin Baylous, the Board came out of Executive Session at 10:45 a.m. and made the following actions part of the record.
- ▶ **2016-05** Upon motion by Lou Costanzo and second by Horace Emery, Board members agreed, that due to a change in circumstances since the matter was not heard before the Supreme Court in December as anticipated, the Board requests the hearing examiner to lift the stay on this matter and proceed with the hearing. Let the record show that Jon Cain recused himself in this matter. Motion carried.
- ▶ **2017-05** Attorney General representative Katherine Campbell reported that the *Findings of Fact and Conclusions of Law* are due to the hearing examiner by February 20, 2018. Attorney General Michael Bevers will provide this document to the hearing examiner by the due date. This matter is continued.
- ▶ **2017-06** Upon motion by Lou Costanzo, and second by Ted Lopez, the Board recommends that the licensee return the electronic file to the client within ten days or probable cause will be found and the matter will proceed to hearing. The Executive Director was directed to notify the Complainant and Respondent regarding the Board's directive. Motion carried.
- ▶ **2017-07A** Upon motion by Lou Costanzo and second by Horace Emery, Board members determined that an injunction should be filed to prevent the ex-licensee from

continuing to advertise the CPA credential and offering attest/compilation services on the business' web site. Board members also recommended revocation of his certificate in the *Findings of Fact and Conclusions of Law* from the December 5, 2018 hearing in this matter. Assistant Attorney General Michael Bevers is to file the document with the hearing examiner. Motion carried.

- ▶ **2017-08** Board members were informed that the licensee has been sentenced to fifteen months in prison and must report on March 26, 2018. He is to sign a *Consent Agreement* requiring him to pay a fine and to relinquish his Certificate on March 23, 2018. Let the record show that Jon Cain recused himself from this matter. This matter is continued.
- ▶ **2018-01** Upon motion by Lou Costanzo and second by Horace Emery, the Board found probable cause and directed Assistant Attorney General Michael Bevers to set this matter for hearing. Motion carried.
- ▶ **2018-03** Upon motion by Lou Costanzo and second by Horace Emery, the Board found probable cause and directed Assistant Attorney General Michael Bevers to set this matter for hearing. Board members requested the 2018-01 and 2018-03 hearings to be held the same day since they involve the same Respondent. Motion carried.
- ▶ **2018-04** Upon motion by Lou Costanzo and second by Robin Baylous, no probable cause was found and the matter was dismissed. Motion carried. The Executive Director will notify both Complainant and Respondent.
- ▶ **2018-05** Upon motion by Lou Costanzo and second by Horace Emery, the Board will give the Respondent ten days to turn over the electronic records to the Complainant or probable cause will be found and the matter will be set for hearing. Motion carried. The Executive Director will notify both Respondent and the Complainant in this matter.
- ▶ **2018-06** Upon motion by Lou Costanzo and second by Ted Lopez, Board members found no probable cause and dismissed this matter. Motion carried. The Executive Director will notify both Complainant and Respondent in this matter.
- ▶ Lou Costanzo discussed the need to be appropriately ready to assign another person to the Complaint Committee since his term ends on June 30, 2018. Board members agreed that Horace Emery would join the Complaint Committee when Lou's term expires.

Board members took a brief break from 11:00 a.m. to 11:15 a.m.

#### **NASBA/AICPA/Government Agency Information**

- ▶ Upon motion by Robin Baylous and second by Lou Costanzo, the Board agreed that Brenda Turley and Stefani Young are approved to attend the NASBA Executive Director and Board Staff Conference on March 13-15, 2018 in Destin, Florida.



- ▶ Upon motion by Robin Baylous and second by Lou Costanzo, the Board agreed to adopt the *NASBA CPE Ethics Program* as part of the CPE requirement to be used in conjunction with a *Consent Agreement*. The Board requests NASBA to develop a West Virginia section of the Program. Board staff will contact NASBA to connect Richard Riley with the Center for Public Trust to evaluate the program.
- ▶ The Board considered whether to invite Ed Barnicott, NASBA's Vice-President of Strategic Planning to West Virginia to work with Board members on strategic initiatives. The Board directed Brenda Turley to find out his schedule and ask him to provide more detail as to what information he covers in a Strategic Planning meeting.

#### Legislature

- ▶ The Board reviewed *Executive Order 2-18 - Governor's Moratorium on Rule Filings*, *Executive Order 3-18 - Governor's Order for Regulatory Review by November 1, 2018*, the PERD Audit (*Legislative Performance Review*) and the *Annual Report to the Governor* as well as the status of Senate Bill 185 - *Board Rules and Rules of Professional Conduct*.

#### Technology

- ▶ The Executive Director gave a brief report on the status of the new e-licensing system. She reported that the CPE Reporting Form launched on December 1, 2018, and there were a few problems acquainting CPAs with the new process. There were browser and timing out issues, as well as forms that were not saving the data recorded by the licensee. Most of those issues appear to be resolved.

#### Licensing/CPE/Firms

- ▶ The Board reviewed the inquiry from D. Wooldridge regarding experience gained through academia. The Board instructed the Executive Director to notify him that all experience is considered on a case-by-case basis. The Board considers all information provided by the applicant and the CPA who is verifying the experience. He will also be informed that Board statutes and regulations allow experience secured through employment in academic if the experience is verified by an actively licensed Certified Public Accountant and otherwise meets the Board's requirements.

#### CPA Examination

- ▶ Upon motion by Lou Costanzo and second by Ted Lopez, the Board approved the listing of Successful Exam Candidates who passed the 2017 Q4 examination windows. Motion carried.
- ▶ The Board reviewed the 2017 Q4 Exam Performance Statistics provided by NASBA.

#### Financial Report / P-Card Ratification

- ▶ The Board received the *Receipts and Disbursements Report* for the period ending December 31, 2017 as follows:

Beginning Cash Balance, July 1, 2017	\$623,538.70
Total Receipts	87,417.50
Total Disbursements	<u>(189,323.70)</u>
Ending Cash Balance, December 31, 2017	521,632.50

- ▶ Upon motion by Lou Costanzo and second by Robin Baylous, the Board ratified the P-Card report of purchases between October 1, 2017 and December 31, 2017. Motion carried.

**Other**

- ▶ Board members reviewed the requests from Board staff re: a policy regarding method by which CPA licensing files are shredded. Upon motion by Robin Baylous and second by Lou Costanzo, the Board members agreed that the 30+ boxes of documents from the files should be shredded by the most secure and efficient method possible. Motion carried.
- ▶ Board members reviewed Board staff's request for permission to shred transcript documents over five years old from students who never applied to sit for the exam. Board members agreed that the document retention policy should include shredding of transcripts over five years old.
- ▶ Dick Riley provided a definition of "public accounting" that he believes the Board should consider the next time the Board changes the Accountancy Law. "Public accounting is currently not defined in the Accountancy Law statutes.

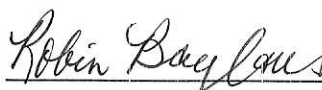
**Schedule Next Board Meetings:**

- ▶ Board members set the following meeting dates for 2018:
    - April 27, 2018
    - July 20, 2018
    - October 25, 2018 in Wheeling to include West Liberty, Bethany and Wheeling Jesuit colleges.
- Lou Costanzo will make arrangements with the Wheeling colleges.

With no further business to come before the Board, upon motion made by Lou Costanzo and second by Robin Baylous, the meeting was adjourned at 1:00 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, January 19, 2017.

Jon Cain, President

  
Robin Baylous, Secretary

  
Brenda S. Turley, Acting Recorder