

WEST VIRGINIA BOARD OF ACCOUNTANCY

FOR THE RECORD . . .

Summer Edition 2016



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*
Lou Costanzo, CPA - *Outgoing President*
Donald B. Nestor, CPA
Vacant, Public Member

Assistant Attorney General

Katherine Campbell, Esq.

Board Staff

Brenda S. Turley, Executive Director
Stefani D. Young, CPE Coordinator
Beverly A. Farrow, Special Projects Coordinator

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Board Meeting Dates for 2016

Friday, July 22, 2016, 9:30 a.m.
Friday, October 21, 2016 9:30 a.m.

*Unless otherwise specified, all Board meetings are held in the Board Conference Room at the offices of the West Virginia Board of Accountancy
405 Capitol Street, Suite 908
Charleston, WV 25301*

WHAT A GREAT TIME TO BE A CPA!

The need for CPAs is growing everyday with the retirement of the baby boomers. In addition, the expertise of CPAs is becoming more and more valuable to an increasing number of businesses, schools, governments, not-for-profit organizations, and educational institutions. Forensic accounting opportunities are an example of a rapidly growing area of specialty.

I want to encourage each of you to help mentor a young accountant you work with or know in your local community.

At the present time, with State Board Rule modifications, changes to the CPA exam, and the increasing selections of available CPE, the track to the CPA credential can be challenging to the graduates of our colleges. Two-Thirds of college graduates struggle to launch their careers according to the *Harvard Business Review*. Think back to the valuable guidance you received from someone at the start of your career. Who was a mentor to you?

The second thing each of you can do is encourage young students to learn about accounting and its opportunities. Volunteer to speak at the middle schools and/or high schools in your community. Invite students to tour your workplace and offer internships to appropriate level students.

In summary, you can be a role model for those entering the accounting profession. Your guidance can make a positive difference in someone's life and help people enter the most exciting profession available today. Give it a try; it will be worth your time investment.

Lou Costanzo

Outgoing President, West Virginia Board of Accountancy



A MEMBER OF

NASBA

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A TIME OF GROWTH & CHANGE

Looking back, it has been over two years since the Board published a newsletter. Despite overcoming many challenges such as staff changes, relocating Board offices, converting from a paper-based system to a digital system, implementing statutes and rules changes, and preparing to go live with an e-licensing system, it has been an exciting and busy two years.

Although we have been extremely busy, the support and cooperation of our licensees every step of the way has not gone unnoticed. And, we thank you! With the feedback and comments we receive, licensees truly play an integral role in our decisions and changes. Because of the support we receive, we have the ability to face challenges, changes and grow in order to achieve systems, processes and rules that will better the profession of our licensees. Our growth and future as a Board is truly focused around creating customer-centric products and services that allow our licensees ease of use.

As much as our Board processes and systems have changed in the past two years, so has our staff. The following information highlights recent staff changes:

STAFF CHANGES

Retirements: As most of you know, the Board's beloved **Jo Ann Walker** retired on June 30, 2014, after 43 years of dedicated service to the Board and the accounting profession. Many of you attended her retirement reception as well as call the Board office to inquire how she is doing. Jo Ann laid the groundwork for the daily processes and procedures in place today. **Joyce Brown** retired on August 31, 2014, after serving 33 years as CPA Examination Coordinator. Both of these ladies deserve a place of honor for their many years of dedicated service.

Promotions and New Employees: After serving the Board in various capacities for almost 19 years, on January 10, 2014, Brenda Turley was appointed by the Board to fulfill the Executive Director role. She came to the Board in July 1995 to fill a newly-created position as the CPE Coordinator and in 2011, the Board promoted her to Assistant Director. Brenda previously served as Continuing Education Coordinator for the Professional Independent Insurance Agents of West Virginia (PIIA WV), as well as supported staff for a large class action lawsuit at Robinson & McElwee, PLLC. She also served as Executive Secretary for the Vice President of Management Information Systems (MIS) at McJunkin Corporation (now McJunkin Redman Corporation).

In September 2013, **Stefani Young** was hired to serve the Board as an Administrative Assistant. Soon after, she was promoted to Continuing Professional Education Coordinator. Stefani serves the Board in many capacities, including accounts payable and revenue reconciliation. She was previously employed in the Human Resources Department at West Virginia Paving for over five years where she worked in payroll, accounts payable and

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Successful Exam Candidates

July 1, 2015 - June 30, 2016

CODY D. BALLARD
ELIOTT BORRIS
CRAIG ALLEN DANIELS
MAVERY L. DAVIS
ROBERT CLARK FERRELL
SCOTT ADAM FOWLER
WILLIAM DANIEL GIVEN
HANNAH R. GRADY
JOSHUA EDWARD GRAVES
KELSI LYNN HALBERT
THOMAS LEE HARVEY
LOGAN PAUL HICKMAN
STEPHEN L. HISSOM
HUYEN THU HOANG
STEPHEN NATHANIEL HOLCOMB
AMANDA MORGAN KAUFMAN
WILLIAM VERDE KNICELEY
ZACHARY DAVID LEFEVRE
CAMERON LEMLEY
JEANNIE ANN MCCLUNG
SAMUEL TYLER MCCULLOUGH
HOLLAND JAMES MILLER
ALYSSA NICOLE MORGAN
RYAN TYLER MORRIS
DREAMA D. PADGETT
LISA M. PERRY
RENICK DALE PERRY
LINH THUY PHAM
DANIEL J. POWELL
AMBER LYNN RIDINGS
MATTHEW MORGAN SANDY
SAMUEL A. SARCONI
JENNIFER B. SCOTT
EVAN MATTHEW SHAMBLIN
TYLER M. SHAMBLIN
ANDREW DAVID SHEAR
EMILY PAIGE SHIMP
BOBBI JO SMITH
MARCUS TREVOR SMITH
AARON JOSEPH SOUZA
CASEY JOEL SPAGNUOLO
HANH MAI TRAN
JESSICA ROSE WALTER
JAMIE ELIZABETH WILLIAMS
REBECCA JANE WILLIAMS
SARAH MARIE YOKUM
CLYDE RANDOLPH YOUNG
XIANG ZHAO

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Exam Revisions Announced

Changes to the Uniform CPA Examination, beginning with tests administered on April 1, 2017, were announced to the public on April 4, 2016, along with blueprints for the Exam. "We have been on a long journey here," Executive Vice President and COO Colleen K. Conrad reported during the recent Executive Directors' Conference. "Most of the announced changes should not be a surprise to the Boards. Next year, when the new version of the Exam launches, should be really exciting," she said.

By November 2015, the Board of Examiners received over 600 comments on proposed changes to the Uniform CPA Examination, AICPA Vice President-Examinations Michael Decker told the NASBA Executive Directors' Conference. He explained the revised Examination is set to test the knowledge and skills needed for a "newly licensed CPA," as the practice analysis was set to measure the knowledge and skills possessed by a person with two years of experience. "We are shifting to testing critical thinking from testing memorization," he explained, as candidates are being asked to do more critical thinking earlier in their careers, requiring higher order skills. These include analytical ability, problem solving, critical thinking, professional skepticism and communication skills.

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A TIME OF GROWTH & CHANGE (CONTINUED)

public complaints.

In June 2015, **Beverly A. Farrow** was hired as a Special Projects Coordinator to implement the organizational process for mass scanning of licensee's files. With over 56 years of paper documents to be reviewed and identified, Beverly has taken on a huge role in meeting the Board's goal to eliminate as many paper files as possible through an organized system of digital document management. Beverly served as a graduate faculty member in the Counseling Program at Marshall University from 1996 to 2008. She worked as Program Coordinator at BridgeValley Community and Technical College from 2009-2014, when she retired.



OFFICE RELOCATION

In September 2014, Board offices were moved from 106 Capitol Street to 405 Capitol Street. The process of moving to a much smaller space required Board staff to reduce the amount of office furniture and equipment. It also forced us to evaluate the need for the voluminous amount of paper documents dating back to the Board's inception in 1959.

After we were settled in our new location, we soon realized that in order to move forward into the digital age, we would need to scan the documents and discard the paper - preserving any documents with historical value.

As Board staff works toward documentation of the past, we are also moving forward on future projects.

Board Elections

At the Friday, July 22, 2016 meeting, the following officers were elected by the Board:

Reed J. Tanner, CPA - President
Jon W. Cain, Sr., CPA - Vice President
David D. Hill, CPA - Secretary
Barry L. Burgess, CPA - Assistant Secretary

Licensure Statistics August 1, 2016

CPA Licensees	2,172
CPA - Inactive Registration	208
Individual Authorizations to Perform Attest Services	61
WV Firms	205
Out-of-State Firms	140

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CHANGES TO ACCOUNTANCY LAW: KEEPING UP WITH THE TIMES

The 2016 Legislative Session brought many changes to the Accountancy Law as well as to the Board Rules and Rules of Professional Conduct. These changes reflect the needs of today's profession and support the regulatory responsibility of the Board of Accountancy.

Senate Bill 271 passed the Legislature on March 7, 2016, was signed by Governor Earl Ray Tomblin on March 15, 2016 and became effective 90 days after passage.

It changed the Accountancy Law to reflect the definition of "attest services" as contained in the Uniform Accountancy Act (UAA), while also providing protection from civil liability for board members, a criminal background check requirement for initial certification, mandatory training in federal antitrust law and state action immunity required annually for Board members, staff and representatives from the Attorney General's Office, as well as providing for indemnification for Board members and employees.

The National Association of State Boards of Accountancy (NASBA) created and published a West Virginia Board of Accountancy Antitrust Law and State Action Immunity Training video to comply with the new provision in the law. Anyone may review this training at: <https://player.vimeo.com/video/168215789>.

During this next year, Board members will also be working to promulgate rules, which include the procedure an applicant must follow to acquire a criminal background check as part of the certification process. These changes will be made public, and a link will be provided on the Board's website for review and comments.

Exam Revisions Announced (Continued)

Evaluation skill will be tested as 5-15 percent of the AUD (auditing and attestation) section of the Exam.

Task-based simulations have been added to the BEC (Business Environment and Concepts) section of the Examination and simulations are being added to the REG (Regulation) section. Both the BEC and REG sections will now each be four hours long, Ms. Conrad said. This brings the total time for taking the four sections up to 16 hours. A standard 15-minute break has been added halfway through each section, she reported, and candidates can opt to take the break or not. Forty additional testing days are being added as testing windows have been extended March 1-10, June 1-10, September 1-10 and December 1-10. "The hope is that at some point there will be no need for a blackout period during testing dates," she stated.

In 2018, Microsoft Excel will be added as a tool for the Uniform CPA Examination, Mr. Decker announced. Also the user experience will be enhanced, as all of the Prometric testing centers will have 23" HD monitors by 2018 and there will be added support for ADA candidates.

For more information about the forthcoming changes, see: nasba.org/exams/cpaexam.



Update Your Information with the Board

It is the responsibility of the licensee to update any address or contact information changes with the Board within 30 days of its occurrence. You may send an e-mail to wvboa@mail.wvnet.edu indicating the changes or use the Change of Information form available on the Board's website. Don't forget to include all contact information such as business phone numbers and e-mail addresses.

DO WE HAVE YOUR EMAIL?



It is important for the West Virginia Board of Accountancy to have a current email address on file for you. It will help with business reliance and electronic communications.



New Licensing System

The Board has been aware for some time that our current data system is antiquated and no longer supported by the software provider. Late in 2015, the Board released a Request for Proposal for an e-licensing system to handle all aspects of the examination and licensure process as well tracking all fees received. The contract was awarded to Albertson's Consulting in Minot, North Dakota in January, 2016. Board staff has been partnering with Albertson's to create the application processes necessary to fully implement an online e-licensing solution. We anticipate that the new system will be available for reporting your Continuing Professional Education hours in early fall 2016. The Board will keep you apprised of the progress.

CHANGES TO BOARD RULES AND RULES OF PROFESSIONAL CONDUCT

The following changes were incorporated in the Board Rules and Rules of Professional Conduct during 2016's Legislative Session:

1. **Activation of License:** Require an individual who is activating his/her license to secure 40 hours of CPE credit before activation can be approved. Four (4) of the total hours must be in the subject of Ethics. The hours must be secured during the previous two calendar years, and the portion of the year for which the application is being filed.
2. **Reinstatement of License:** Require an individual who had not met CPE compliance during his/her last year of licensure to secure the greater of 40 hours of CPE credit or the number of hours for which the inactive licensee was deficient during his last full calendar of licensure. Four of the total hours must be in the subject of Ethics. The hours must be secured during the previous two calendar years and the portion of the year for which the application is being filed.
3. **CPA Exam Academic Requirement Changes:** The Board changed the academic requirement to sit for the CPA Examination to the following:

Course	Previous Requirement	New Requirement	Effective Date
Business Law	6 hours	3 hours	July 1, 2016
Taxation	3 hours	6 hours	July 1, 2018
Accounting Courses	27 hours (total)	30 hours (total)	July 1, 2016

4. Added a definition for Statements on Standards for Attestation Engagements (SSAE)
5. In anticipation of upcoming changes to the Exam, the Board adopted language to accept any AICPA section name changes to the Examination and to allow candidates to take the Exam any time it is provided.
6. The Exam application approval fee was changed from \$170 to \$10. The fee structure still provides for \$40 per sitting for each section of the examination.
7. Two fees were added - \$25 for providing continuing education reports and documents and \$25 for approval of a firm name change.