

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

January 19, 2017

1:00 p.m.

Board Meeting Minutes

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The Board of Accountancy met on Thursday, January 19, 2017 at 1:00 p.m. in the Board of Accountancy's conference room. Board members in attendance were Board President Reed J. Tanner, Jon W. Cain, David Hill, Barry Burgess, and Lou Costanzo. Don Nestor attended via teleconference. Also in attendance were Assistant Attorney General, Katherine Campbell; Board Staff, Brenda Turley and Stefani Young; WV Society of CPAs' CEO Judy Proctor.

The meeting was called to order at 1:00 p.m. by Board President, Reed Tanner.

Upon motion by David Hill and second by Barry Burgess, the minutes of the October 21, 2016 meeting were approved as circulated. Motion carried.

CPA Examination

- ▶ Upon motion by David Hill and second by Jon Cain, the Board approved the Successful Candidates for 2016 Q4. Motion carried.
- ▶ Exam Performance Statistics will be available at the next Board meeting.

Financial Report / P-Card / Purchasing Review

- ▶ The Board received the *Receipts and Disbursements Report* for the period ending December 31, 2016 as follows:

Beginning Cash Balance, July 1, 2016	\$631,588.60
Total Receipts	58,385.00
Total Disbursements	<u>(177,765.10)</u>
Ending Cash Balance, December 31, 2016	<u>512,208.50</u>

- ▶ Upon motion by David Hill and second by Barry Burgess, the Board ratified 2016 Q-4 p-card expenditures. Motion carried.
- ▶ Upon motion by Barry Burgess and second by David Hill, Board members agreed to send the staff's proposed letter to Purchasing as justification for Logical Operators Inc. as a sole-source provider for network maintenance. This letter is in response to a request by the WV Division of Purchasing's November 16, 2016 correspondence requesting the Board to submit a Corrective Action Plan in response to *Fiscal Year 2016 WV Purchasing Division Inspection Report*. Motion carried.

Technology

- ▶ Board staff reported that the new e-licensing system did not go-live on November 1, 2016 due to glitches in the CPE form. Staff anticipates the system will be live before the renewal period in late April or early May 2017.

Licensing / CPE / Firms

- ▶ Stefani Young reported on the Uniform Accountancy Act's Model Rules Exposure Draft re: new CPE rules. The Board whether there would need to be a rule language to accommodate new program types (such as nano learning). Board members determined that we cannot accept nano learning until Board Rules are changed to accommodate 1/5 (10 minutes) of an hour sessions.
- ▶ Upon motion by David Hill and second by Jon Cain, Board members adopted a policy to award automatic extensions without fees to any CPAs who have Continuing Professional Education deficiencies as a result of reliance on the new *Statement on Standards for CPE Programs* and the use of nano learning during 2016 calendar year. Motion carried.
- ▶ Board members discussed whether the Board has the authority to possibly add language in the rules to participate in the West Virginia State Police rap-back program which would notify the Board if the applicant is convicted of crime for up to three after the initial fingerprinting process for licensure approval. Assistant Attorney General, Katherine Campbell, will research this issue and report back to the Board.
- ▶ Board members discussed firm naming practices. Board President Tanner requested that Board staff research what other states allow and perhaps consider changing Board rules to allow firm names which are not misleading, but do not necessarily contain the names of the professionals who own or are members of the firm.

NASBA / Proposed Legislation

- ▶ The Board approved Brenda Turley and Stefani Young to attend the 35th Annual Conference for Executive Directors and Board staff - March 14-16, 2017 in New Orleans, Louisiana.
- ▶ Jon Cain discussed whether it would create confusion to the public if firm employees who have a CGMA designation only perform work for the firm's client. Would the public know the educational and licensure differences, or would it give a false impression to the public that all employees of the firm are CPAs? Would it also create confusion if CGMAs open an accounting business? More discussion is required on this subject.
- ▶ Criminal background checks language was provided to the Board to review and determine if additions or modifications are needed. Board members questioned what the term "unremarkable" means in 1 CSR 1-1.4.1.d.4.
- ▶ West Virginia Society of CPAs CEO, Judy Proctor, discussed the implication of the Peer Review Evolution and the AICPA moving to regional Peer Review jurisdictions and the problems that small state societies face trying to administer a Peer Review program. Some board members expressed concern that, if the smaller states participate with regional peer review providers, the cost of a Peer Review may become prohibitive.

Complaints

- ▶ Upon motion by David Hill and second by Lou Costanzo, the Board went into Executive Session at 2:30 p.m. pursuant to W. Va. Code § 6-9A-4 to consider disciplinary matters. Motion carried.

- ▶ Upon motion by Barry Burgess and second by Lou Costanzo, the Board came out of Executive Session at 3:30 p.m. and made the following actions part of the record.

2013-07 Upon motion by Jon Cain and second by David Hill, the Board directed Board staff to write a letter to the Respondent regarding required Ethics CPE hours stipulated to in the Consent Agreement and Order. Motion carried.

2016-04 Upon motion by Jon Cain and second by David Hill, the Board directed Board staff to write a letter to the license requiring him to provide a schedule of documents and filings prepared, dates provided and method of delivery as promised in his October 19, 2016 correspondence or the Board would proceed without further input from the Respondent. Motion carried.

2016-05 Upon motion by David Hill and second by Barry Burgess, the Board decided to wait for the final order from circuit court to be signed by the judge. A teleconference is to be organized immediately to initiate probable cause once we receive the Final Order. Jon Cain recused himself and left the Board room while members discussed this matter. Motion carried.

2016-06 Upon motion by Jon Cain and second by David Hill, the Board **dismissed this case due to no probable cause**. Motion carried.

2017-01 Upon motion by Jon Cain and second by David Hill, the Board **closed this case with no action**. Motion carried.

2017-04 Upon motion by Jon Cain and second by David Hill, Board staff was directed to write a letter inquiring whether he desires to proceed with a hearing in this matter. Motion carried.

2017-05 Upon motion by Jon Cain and second by David Hill, the Board directed board staff to write a letter requesting Respondent to explain why he did not disclose the action by the IRS on his renewal form. Motion carried.

CPA holding-out in Parkersburg

Upon motion by Jon Cain and second by David Hill, Board staff was directed to write a letter advising cease from "holding-out" to the public and advise him how to reinstate his license. Motion carried.

Other

- ▶ Board staff reported on the status of the insurance claim as result of a water leak that fell through the ceiling in the Board room and caused damage to the Board table and chairs. The Board received a \$400.00 quote from Correctional Industries to refinish the Board table. Correctional Industries no longer carry the type of chairs we ordered before. The model closest to that type costs \$299.00 per chair totaling \$3,588.00 to replace all 12 chairs.

- ▶ Board staff reported that the pending litigation is set for trial on April 17, 2017, if it does not settle before then. Depositions of the plaintiff and her husband have been completed and a deposition date for a 3rd party and the Board's Executive Director is yet to be scheduled.

With no further business to come before the Board, upon motion made by David Hill and second by Barry Burgess, the meeting was adjourned at 4:15 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 Thursday, January 19, 2017.



Reed J. Tanner, President

David D. Hill., Secretary



Brenda S. Turley, Acting Recorder