

**West Virginia
Board of Accountancy**

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

Earl Ray Tomblin, Governor



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
Matthew Bowles, Esq., Public Member
Brenda S. Turley, Executive Director

April 21, 2017 9:30 a.m.

Board Meeting Minutes

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The Board of Accountancy met on Friday, April 21, 2017 at 9:30 a.m. in the Board of Accountancy's conference room. Board members in attendance were Board President Reed J. Tanner, Jon W. Cain, David Hill, Lou Costanzo, Robin Baylous, and Richard Riley. 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 9:30 p.m. by Board President, Reed Tanner.

Upon motion by David Hill and second by Jon Cain, the minutes of the January 19, 2017 meeting were approved as circulated. Motion carried.

Proposed Legislation

- ▶ Upon motion by David Hill and second by Jon Cain, the Board approved the Proposed Rules, as presented at the meeting, which included criminal history records check language, for submission by June 28, 2017, to the Secretary of State and the Legislative Rulemaking Committee.
- ▶ Assistant Attorney General Katherine Campbell reported that the Board does not have the statutory authority to participate in the West Virginia State Police's Rap-Back Program.

CPA Examination

- ▶ Upon motion by David Hill and second by Lou Costanzo, the Board approved the Successful Candidates for 2017 Q1. Motion carried.
- ▶ The Board reviewed the Exam Performance Statistics provided by NASBA for 2016 Q4 and 2017 Q1. Board members commented that the pass rate had improved over previous periods.
- ▶ The Board reviewed the letters from three candidates who requested an extension of time to retain their passing scores as a result of a minimum ten-week lag in the grade release for the April/May window. Upon motion by David Hill and second by Robin Baylous, the board determined that they will address each person's situation once the scores are released and make extension decisions then on a case-by-case basis. This explanation will serve as the standard reply to all requests for extension between now and grade-release.

Strategic Initiatives

- ▶ At this point, the Board participated in a teleconference with Ed Barnicott, NASBA, Vice-President of Strategic Planning and Program Management, to inform the Board about NASBA's role in facilitating an individual Board to identify internal initiatives and strategic planning built around a Board's mission. His role is to visit the individual state boards to help with their individual three-to-five year plan – typically in a retreat setting or possibly at a Board's office. He assists the Board to

define or refine its mission by making sure it is current, up-to-date, and in line with statutes and rules. He helps Board members do a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). From that will emerge those objectives the Board wants to set for its three-to-five year plan.

- ▶ After the call, Board members discussed the CGMA credential and whether its use was possibly misleading to the public.
- ▶ Board members discussed inviting Ed Barnicott to the Board for a strategic planning meeting. They indicated that it may be a good idea to invite some of the Board members whose terms will be expiring soon to come back and participate in the strategic planning session.

Complaints

- ▶ Upon motion by David Hill and second by Jon Cain, the Board went into Executive Session at 10:45 a.m. to consider disciplinary matters pursuant to W. Va. Code § 6-9A-4. Motion carried.
- ▶ Upon motion by Lou Costanzo and second by David Hill, the Board came out of Executive Session at 11:18 a.m. and made the following actions part of the record.

- 2013-07** Upon motion by Jon Cain and second by David Hill, the Board gave Respondent until May 15, 2017 to complete the first three Ethics CPE courses on the list he provided for approval. Motion carried.
- 2016-04** Upon motion by Jon Cain and second by David Hill, after input from the Complainant, **the Board closed this complaint.** Motion carried.
- 2017-02** Upon motion by Jon Cain and second by David Hill, the Board **closed the complaint.** Motion carried.
- 2017-03** The Board authorized the Executive Director to send a letter directly after the meeting to request a copy of the engagement letter as well as any supporting documentation from the Complainant which directed the licensee not to file the tax forms. Motion carried. This matter is continued.
- 2017-04** It was determined that this number should not have been assigned because no complaint was filed against the licensee.
- 2017-05** Board staff was directed to send a letter directly after the meeting, requesting that the Respondent provide a clear, concise explanation as to why he did not disclose his suspension to practice by the IRS. Motion carried.
- 2017-06** Upon motion by Jon Cain and second by David Hill, the Board agreed to hire an investigator to look into the matter. Motion carried. Executive Director is to consult with Richard Riley and Attorney General Counsel to hire the investigator. A state agreement should be signed to define the hourly rate with a separate letter defining the scope of the investigation.

- 2017-07** Upon motion by Jon Cain and second by David Hill, the Board directed Board staff to send a letter to the Respondent directing him to remove the attest/compilation language from his firm's web site. Board members agreed that if he removes the language within ten days, the Board will not pursue disciplinary action. Motion carried.
- 2016-05** The Board was advised by A.G. counsel that the matter was stayed until after the Supreme Court appeal. This matter is continued. Jon Cain recused himself and left the Board room while members discussed this matter.
- Other** Upon motion by Jon Cain and second by David Hill, the Board rescinded Bradley Boord's *Authorization to Perform Attest/Compilation Services as an Individual Practitioner* because he is not currently enrolled in a Board-approved Peer Review Program – as required by the Accountancy Law. Executive Director to inform licensee of the Board's decision.

Financial Report / FY 2018 Budget / P-Card Ratification

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

Beginning Cash Balance, July 1, 2016	\$631,588.60
Total Receipts	86,160.00
Total Disbursements	<u>(255,371.38)</u>
Ending Cash Balance, March 31, 2017	462,377.22

- ▶ Upon motion by David Hill and second by Jon Cain, the proposed budget was approved, as presented.
- ▶ Upon motion by David Hill and second by Lou Costanzo, the Board ratified 2017 Q-2 P-card expenditures. Motion carried.

Technology

- ▶ Brenda Turley reported that the new e-licensing system was live and that the on-line renewal system would be live on May 1, 2017 to renew for the period beginning July 1, 2017 to June 30, 2018.
- ▶ The Board reviewed the proposed cloud back-up and maintenance proposal from Logical Operators. Board members agreed that Board staff may utilize this service.

Licensing / CPE / Firms

- ▶ The Board reviewed the CPE non-compliance report.
- ▶ Upon motion by Robin Baylous and second by David Hill, the Board will not accept the N. Monsour's expired exam scores from New Hampshire. Therefore, she does not qualify for an initial certificate/license in West Virginia. The Executive Director was directed to inform the inquirer.
- ▶ The Board reviewed information regarding a Canadian firm who applied for a firm permit in West Virginia. International practices require a member/partner of the firm to also secure a license to practice. West Virginia Code § 30-1-1 *et seq.* requires an individual to provide a social security number on all applications for exam and licensure. International licensees living and working in an

international location cannot obtain a social security number, thus prohibiting a foreign firm from getting licensed in West Virginia. Although the Board has little recourse right now, the Board members suggested that we record these instances for possible future legislation.

- ▶ The Board reviewed Senate Bill 602 in light of Board firm naming practices. Board regulations do not permit an accounting firm to operate under a trade or fictitious name. This bill could make it easier for the public to identify who is a partner, member or shareholder of a business that has a fictitious or trade name – thus clearing the way for the Board to allow firms to adopt a trade or fictitious name. This information is for future consideration, should Board statutes or Rules be changed.

NASBA

- ▶ The Board reviewed the listing of upcoming NASBA meetings. Board members are to let the Executive Director know if they plan to attend the Eastern Regional Meeting the last week of June 26-29, 2017, in Newport, Rhode Island or the 110th Annual Meeting on October 29 to November 1, 2017 in New York City.

Other

- ▶ The Executive Director reported that the case brought against the Board has already settled, with BRIM to pay the Board's share of the suit.
- ▶ The Executive Director reported on the insurance settlement received as a result of water damage to the Board table and chairs.

Election of Officers

- ▶ Upon motion by David Hill and second by Jon Cain, effective July 1, 2017, the following officers and Complaint Committee members were nominated for the following positions. Motion carried.

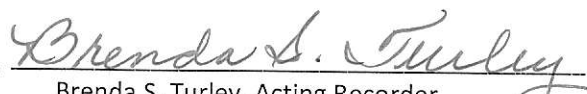
President - Jon Cain
Vice-President - Louis Costanzo
Secretary - Robin Baylous
Assistant Secretary - Richard Riley

Complaint Committee - Louis Costanzo (Complaint Committee Chair) and Robin Baylous (Member)

With no further business to come before the Board, upon motion made by David Hill and second by Jon Cain, the meeting was adjourned at 11:40 a.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, April 21, 2017.


Robin Baylous, Secretary


Brenda S. Turley, Acting Recorder