

**West Virginia
Board of Accountancy**

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

Earl Ray Tomblin, Governor



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

Brenda S. Turley, Executive Director

Board Minutes

Friday, August 14, 2015

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The West Virginia Board of Accountancy met in the Board of Accountancy Board Room, Friday, August 14, 2015 at 9:30 a.m. Board members in attendance were Barry Burgess, Louis Costanzo, Donald Nestor, David Hill, and Jon Cain. Reed Tanner joined the meeting via teleconference. Also in attendance were Assistant Attorney General, Katherine Campbell; Board staff, Brenda Turley, Executive Director and Stefani Young, CPE Coordinator; Judy Proctor, CEO, West Virginia Society of CPAs; and Suzanne Jolicouer, Senior Manager from AICPA's State Regulatory Outreach Program.

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

Instead of proceeding with regular business, the Board President turned the floor over to Suzanne Jolicouer for a presentation regarding AICPA identified Board initiatives. Among the topics covered were firm mobility, upcoming changes to the Uniform AICPA Examination, adopting sections of the Code of Professional Conduct, nano learning and changes in attest standards as they relate to Board-adopted rules.

After Ms. Jolicouer's presentation, the board took a 5 minute break and resumed in regular business at 10:50 a.m.

FIRST ORDER OF BUSINESS

APPROVAL OF MINUTES

Upon motion by Don Nestor and second by Lou Costanzo, the Board approved the Minutes of April 24, May 20, June 29, and July 21, 2015 as circulated. Motion carried.

SECOND ORDER OF BUSINESS

CPA EXAMINATION

1. Upon motion by Jon Cain and second by David Hill, the Board approved the listing of 5 successful exam candidates from 2015 Q2. Motion carried.
2. The Board received the list of 98 candidates who sat during the April/May 2015 (2015 Q2) testing window.
3. The Board reviewed the Exam Performance Statistics for 2015 Q2.
4. The Board received the list of 35 Exam Candidate Approvals for 2015 Q2.
5. The Board reviewed the correspondence from the North Carolina Board of Accountancy regarding accelerated courses - in which a student could receive credit for the same course at the undergraduate and graduate levels of education essentially receiving double credit for the same course. Board

members discussed adding a question to the Exam application requesting that the candidate respond whether any accelerated learning courses were listed on the transcripts – since it would be difficult to ascertain from the transcripts themselves. Board members agreed to table any action on this matter but will keep it on the radar for future action.

6. Upon motion by Jon Cain and second by Louis Costanzo, the Board agreed to accept electronically delivered transcripts if the delivery from the institution is verifiable. Motion carried.

THIRD ORDER OF BUSINESS**FINANCIAL REPORT**

1. The Board received the Receipts and Disbursements Report for the period ending June 30, 2015 as follows:

Beginning Cash Balance, July 1, 2014		\$562,103.26
Total Receipts	374,409.14	
Total Disbursements	<u>-338,562.84</u>	
Ending Cash Balance, June 30, 2015		<u>597,949.56</u>

2. Upon motion by David Hill and second by Jon Cain, the Board ratified the p-card expenditures for 2015 Q2. Motion carried.

FOURTH ORDER OF BUSINESS**TECHNOLOGY**

Brenda Turley gave a verbal report regarding the acquisition of a new e-database licensing system for the Board. She reported that she will be setting an appointment with Guy Nesbitt, Senior Buyer, West Virginia Purchasing for guidance in modifying the specifications to meet Purchasing's approval.

FIFTH ORDER OF BUSINESS**FIRMS**

1. The Board received the listing of 5 firms approved during 2015 Q2.
2. Brenda Turley reported that she will review the ERISA audit listing to make sure all firms have filed for the appropriate authorization when practicing in West Virginia.
3. The Board received the listing of firms whose permits had lapsed as a result of non-renewal. Board staff reported that each had received a certified letter informing them of their status.
4. The Board reviewed the communication from McGladrey LLP requesting that the Board review and process their request to change its Board licensed firm name from McGladrey LLP to RSM US LLP effective October 26, 2015. The Board determined that no action was required inasmuch as this Board does not dictate what firm name another state permits unless the firm opens an office in West Virginia.

5. The Board reviewed the request from a CPA to allow the firm name to contain words and terms other than that of the name of a past or present partner, member, manager or shareholder. Upon motion by Don Nestor and second by David Hill, the Board agreed that the name of her firm must conform with Board Rules. The Board advised that this does not preclude the CPA from using a "tagline" utilizing a phrase, term or words that would not be allowed in the firm name. Motion carried.
6. The Board reviewed the report of Firm Fees Collected from July 1, 2014 to June 30, 2015 in connection with firm mobility legislation. Board members remarked that it may not be feasible to adopt firm mobility due to the revenue loss. The matter is tabled until a later date.

The Board broke for lunch at 12:05 p.m. and resumed in regular session at 12:30 p.m. Reed Tanner left the teleconference/meeting when the Board broke for lunch.

SIXTH ORDER OF BUSINESS**LICENSING & CPE**

1. The Board received the listing of the four individuals approved for licensure during 2015 Q2.
2. The Board received the listing of 36 individuals whose license had lapsed for the period beginning July 1, 2015.
3. The Board received the listing of 19 individuals who had not met CPE Compliance for the 2014 calendar year.
4. The Board reviewed the request from a reciprocal certificate holder asking if the Board would honor reporting his Continuing Professional Education to Ohio, his resident state. The Board determined that Board Rules require him to report to West Virginia annually.
5. Board staff reported that they were finished reviewing the latest listing of 906 PTIN registrants provided by NASBA. Board staff identified 33 who were to receive informative letters regarding the procedure for licensure. If not eligible for licensure, the person is asked provide documentation that the CPA credential has been removed from his/her PTIN registration.
6. Board members reviewed a video entitled "New Jersey's Par Value Capital," created by Deloitte and provided by NASBA, as an example of nano-learning.
7. Board members discussed the recommended changes to the 2012 *Statement on Standards for CPE Programs*. The Board agreed to wait until the Comment Period has ended and the final draft is distributed before action is considered regarding the acceptance of the new *Statement on Standards*.

SEVENTH ORDER OF BUSINESS**NASBA/PROPOSED LEGISLATION**

1. Jon Cain and Brenda Turley presented an oral report regarding the Eastern Region Meeting in Baltimore, MD, June 24-26, 2015.

2. Board members reviewed the listing of upcoming NASBA meetings. Stefani Young will be attending the 2015 National CPE Registry Summit in Washington, DC, September 9-11, 2015; Louis Costanzo and Brenda Turley will attend the 108th Annual Meeting, October 25-28 in Dana Point, CA; and Brenda Turley and Stefani Young will be attending the 34th Annual Conference for Executive Directors and Board Staff, March 15-17, 2016 in Tucson, AZ.

EIGHTH ORDER OF BUSINESS**COMPLAINTS**

Upon motion by Louis Costanzo and second by Jon Cain, the Board entered into Executive Session at 1:15 p.m. pursuant to W. Va. Code § 6-9A-4 to consider disciplinary matters. Motion carried.

Upon motion by David Hill and second by Jon Cain, the Board came out of Executive Session at 2:13 p.m. and made the following actions part of the record. Motion carried.

- In the matter of 2013-01** Complaint Chairman, Louis Costanzo, reported that the Respondent filed his quarterly report timely and is currently in compliance with the amended consent order. This matter is continued.
- In the matter of 2013-07** Assistant Attorney General Katherine Campbell reported that this matter is being held in abeyance until October 23, 2015 and, therefore, is continued until the next Board meeting.
- In the matter of 2015-04** Upon motion by David Hill and second by Don Nestor, this **matter was dismissed**. The parties resolved the situation without action needed from the Board. Motion carried.
- In the matter of 2015-05** Upon motion by David Hill and second by Don Nestor, Board members determined that Board staff should send a follow-up letter to the complainants requesting them to complete the complaint form and provide any documentation to support their allegation, as well as, to inform them what the complaint process entails. If nothing is received from the complainants within 30 days, the matter will be administratively closed. Motion carried.

NINTH ORDER OF BUSINESS**OTHER**

1. The Board considered the *Application for Reinstatement of License* from the applicant who was suspended by AICPA in 1998. After having submitted character references from a CPA and a business associate, as well as having secured over 40 hours of CPE, upon motion by David Hill and second by Don Nestor, the Board approved the *Application*. Motion carried.
2. The board considered a matter in which a CPA-Inactive had recently activated his license to practice after having allegedly "held out" as a licensee. Upon motion by David Hill and second by Don Nestor, the Board accepted the activation of license application without further action. Motion carried.

3. Board President, Barry Burgess, presented the circumstances surrounding "YES" responses on the renewal questions of four individual licensees. After consideration, upon motion by David Hill and second by Don Nestor, the Board determined that a letter should be drafted to the licensee who had been disciplined by the AICPA and request that he furnish copies of the findings and any remedial action that may have been taken. The Board will consider the information received from the licensee at the next meeting. The explanation of the other three licensees was accepted without requesting further information. All four renewals should be processed as usual. Motion carried.
4. Upon motion by David Hill and second by Don Nestor, the Board requested that a letter be drafted explaining that the Board had been informed by both AICPA and the Department of Labor that she had performed ERISA audits in West Virginia. These acts are in violation of West Virginia statutes and rules. Therefore, the Board requires her to file for a Reciprocal Certificate as soon as possible. Mr. Costanzo will review and edit the letter as necessary. Motion carried. The Kentucky Board has also been made aware of this complaint.

The above actions were considered in Executive Session. The following actions were considered in open meeting:

5. Upon motion by David Hill and second by Louis Costanzo, the Board determined that the inquirer would need to put her inquiry in writing in order for the Board to consider her questions regarding contingency fees.
6. Upon motion by David Hill and second by Louis Costanzo, the board determined that Board staff should destroy/shred any medical information regarding a *Request for Modification of the Exam* as soon as a decision is made regarding the request. Motion carried.
7. The Board reviewed the status of Board directives from the April 24, 2015 meeting.

TENTH ORDER OF BUSINESS

BOARD ELECTIONS

Board President, Barry Burgess, presented the following slate of officers for consideration by Board members to serve for the current fiscal period. Upon motion by David Hill and second by Don Nestor, the Board agreed to adopt the slate of officers as presented. Motion carried.

Officers:

Louis J. Costanzo, III, CPA - President
Reed J. Tanner, CPA - Vice-President
Jon W. Cain, Sr., CPA - Secretary
David D. Hill, CPA - Assistant Secretary


Complaint Committee:

Reed Tanner and Jon Cain

Board members signed the Certificates and approved the exam and license applications indicated on the listing provided to Board members. (Copy attached)

Upon motion by Jon Cain and second by David Hill, the meeting adjourned at 3:30 p.m.

We certify that this is a true copy of the Minutes of the regular meeting of the West Virginia Board of Accountancy held on Friday, August 14, 2015.

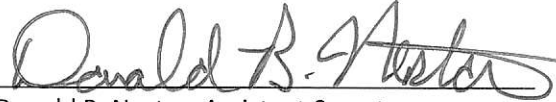


Barry L. Burgess, President

Reed J. Tanner, Secretary



Brenda S. Turley, Acting Recorder



Donald B. Nestor, Assistant Secretary