

# West Virginia Board of Accountancy

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



**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*  
*Barry L. Burgess, CPA*  
*Donald B. Nestor, CPA*

Earl Ray Tomblin, Governor

Brenda S. Turley, Executive Director

Friday, April 22, 2016 9:30 a.m. Minutes

Page 1 of 4

The Board of Accountancy met on Friday, April 22, 2016 at 9:30 a.m. in the Board of Accountancy Conference Room. Board members in attendance were Board President Louis J. Costanzo, III, Reed J. Tanner, Jon Cain, David Hill, Barry Burgess and Don Nestor. Also in attendance were Katherine Campbell, West Virginia Assistant Attorney General; Brenda Turley, Executive Director; Judy Proctor, CEO, West Virginia Society of CPAs; Dan Dustin, NASBA Vice-President of State Board Relations; and John Johnson, NASBA Director of Legislative Affairs.

The meeting was called to order at 9:35 a.m. by Board President, Lou Costanzo.

Upon motion by David Hill and second by Barry Burgess, the minutes of the February 19, 2016 meeting and March 25, 2016 teleconference were approved as circulated. Motion carried.

## 1. NASBA

Instead of proceeding with regular business, Lou Costanzo welcomed our NASBA guests and turned the meeting over to Dan Dustin and John Johnson to discuss NASBA initiatives, AICPA/NASBA joint projects, upcoming NASBA meetings, and the NC Dental Board case.

## 2. Exam

Upon motion by David Hill and second by Reed Tanner, the Board approved the listing of 9 successful exam candidates for 2016 Q1. Motion carried.

The Board tabled the request to develop a score acceptance policy for April 2017 to give NASBA representatives an opportunity to look into the matter further and advise.

## 3. Financial

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

Beginning Cash Balance, July 1, 2015	\$597,949.56
Total Receipts	91,995.23
Total Disbursements	<u>238,461.61</u>
Ending Cash Balance, March 31, 2016	451,483.18

The Board deferred discussion regarding the proposed budget until later in the meeting.

Upon motion by Jon Cain and second by Don Nestor, the Board ratified the P-Card expenditures for 2016 Q1.

#### 4. Legislation

The Board was advised of changes to the rulemaking procedure as a result of the passage of SB 619.

The Board was advised that SB 159 (a bundled bill which included changes to *Board Rules and Rules of Professional Conduct*) was vetoed by Governor Tomblin on April 1, 2016, but could be considered during special session. SB 271, which included changes to the meaning of "attest," indemnification of Board members, and criminal background checks requirement for new licensees was approved by the Governor on March 15, 2016.

Upon motion by David Hill and second by Jon Cain, the Board directed Board staff to contact the State Police for approved language to work in the *Board Rules* regarding criminal background checks. Motion carried.

#### 5. Technology

Board staff verbally reported that the e-licensing system was progressing with Deliverable 1 having been completed and paid.

The Board broke for lunch at 12:00 p.m. During that time, NASBA guests departed from the meeting. Board members reconvened at 12:20 p.m.

#### 6. Complaints

Upon motion by David Hill and second by Barry Burgess, the Board went into Executive Session at 12:30 p.m. pursuant to W. Va. Code § 6-9A-4 to consider disciplinary matters. Motion Carried.

Upon Motion by Barry Burgess and second by Don Nestor, the Board came out of Executive Session at 1:35 pm and made the following actions part of the record.

**2013-01** Complaint Committee Chair, Reed Tanner, reported that the Respondent filed his quarterly report timely and is in compliance with the *Amended Consent Order*. This matter is continued.

**2013-07** Upon motion and second, Board members agreed to offer a *Consent Agreement and Order* giving the Respondent 15 days to answer. Assistant Attorney General Katherine Campbell to prepare the document as discussed in Executive Session. Motion carried.

**2016-01** Upon motion and second, Board members agreed to close this case. Motion carried.

**2016-02** Upon motion and second, Board members agreed to close this case. Motion carried.

**2016-03** The Board tabled this complaint until the next Board meeting to allow time for the firm to answer the Complaint Committee's question.

**2016-04** Since the Respondent's answer was not received until April 22, the Board tabled this complaint.

**2016-05** This matter was continued to allow additional time to answer per the Respondent's request.

- Burcham** Upon motion and second, Board members agreed to close this case since the licensee indicated that he would no longer be performing attest services. Motion carried.
- Feamster** Upon motion and second, Board members directed Assistant Attorney General Katherine Campbell to send a letter allowing the Respondent five days to remove the language from the web site. If he does not comply, a motion should be filed in Greenbrier County for contempt in violation of an order granting default judgment. Motion carried.
- 2016-07** Upon motion and second, the Board initiated a complaint based upon his termination from the WV Society of CPAs' Peer Review Program. The Board instructed Katherine Campbell to draft a Consent Agreement requesting him to surrender his authorization to perform attest/compilation services and giving him thirty days in which to answer. Motion carried.

## 7. Other

Board staff gave a verbal report regarding the status of the Hodge litigation.

The Board discussed the advantages of holding one or more annual Board meetings at various college and university campuses across West Virginia to allow people from other parts of the state to attend and participate in Board meetings. Upon motion by David Hill and second by Barry Burgess, Board staff was directed to contact West Virginia University for arrangements to hold the October 21, 2016 meeting on their campus. Motion carried.

Board staff reported that the go-live date for online license renewal would be May 1, 2016. Renewal information regarding the online process would be mailed the last week of April.

Board members discussed the advantages of utilizing a news clip service to advise the Board when a West Virginia CPA or firm is mentioned in news articles in connection with illegal activity. Board staff is to research the feasibility and let the Board know the costs of this endeavor at the next meeting.

Board members discussed the proposed budget, and upon motion made and seconded, made the following line item changes to allow for salary increases for Board staff:

Line item 3211 (Travel) was changed from \$25,000 to \$24,000

Line item 3229 (Routine Maintenance Contracts) was changed from \$10,000 to \$9,000

Line item 3244 (Postage) was changed from \$12,000 to \$11,000

Board staff's salary was established as follows:

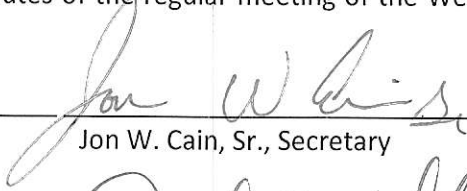
Executive Director	-	\$75,000.00
CPE Coordinator	-	\$43,500.00
Special Projects Coordinator	-	\$37,500.00

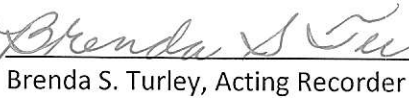
Motion carried.

With no further business to come before the Board, upon motion made by Don Nestor and second by Barry Burgess, the meeting was adjourned at 2:00 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 held on Friday, April 22, 2016.

  
Louis J. Costanzo, III, President

  
Jon W. Cain, Sr., Secretary

  
Brenda S. Turley, Acting Recorder

  
David D. Hill, Assistant Secretary