

**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*

October 19, 2017

11:00 a.m.

Board Meeting Minutes

Page 1 of 5

The Board of Accountancy met on Thursday, October 19, 2017 at 11:00 a.m. at Brad D. Smith Foundation Hall on Marshall University's campus. Board members in attendance were Board President, Jon W. Cain, Lou Costanzo, Robin Baylous, Horace Emery, Richard Riley and Matthew Bowles. Board staff in attendance were Brenda Turley, Stefani Young and Christie Fletcher. Lou Costanzo and Assistant Attorney General Katherine Campbell joined the meeting via teleconference. Theodore Lopez was unable to attend.

The meeting was called to order at 11:05 a.m. by Jon Cain.

Complaints:

Upon motion by Lou Costanzo and second by Robin Baylous, the Board went into Executive Session at 11:05 a.m. to consider disciplinary matters pursuant to W. Va. Code § 6-9A-4. Motion carried. Upon motion by Lou Costanzo and second by Horace Emery, the Board came out of Executive Session at 12:45 p.m. and made the following actions part of the record.

- 2016-05** Attorney General counsel updated Board members that the Hearing Examiner signed an Order to Stay until after the Supreme Court of Appeals decision. Let the record show that Jon Cain recused himself in this matter.

- 2017-05** The Board was reminded that this matter has been set for hearing on January 9, 2018 at 9:30 a.m. at the Board office. This matter is continued.

- 2017-06** Upon motion by Lou Costanzo, and second by Robin Baylous, the Board agreed to leave this case open to allow Board members sufficient time to fully consider the Quickbooks file issue in this matter. Motion carried. This case is continued.

- 2017-07A** Board members were reminded that this case is set for hearing on December 5, 2017. This matter is continued.

- 2017-08** Board members were reminded that the federal sentencing hearing is set for November 6, 2017 and that the licensee will advise the Board if he will agree to a Consent Agreement requiring him to relinquish his Certificate. Let the record show that Jon Cain recused himself from this matter.

- 2018-01** Upon motion by Lou Costanzo and second by Robin Baylous, the Board agreed to initiate a complaint in this matter. Motion carried.

- 2018-02** Upon motion by Lou Costanzo and second by Robin Baylous, the Board determined that there was no probable cause and the matter is dismissed. Motion carried. Executive Director will notify the complainant and licensee.

2018-03 Upon motion by Lou Costanzo and second by Robin Baylous, the Board determined that the Notice of Complaint letter should be re-sent to the licensee via certified and regular mail and requesting his response within thirty (30) days. Motion carried. Executive Director will re-send the correspondence.

2018-04 With additional information pending, this matter is continued.

At 12:45 p.m., the Board took a short break. Marshall students and faculty joined the public portion of the meeting.

The meeting was resumed at 1:05 p.m. with President Jon Cain briefly addressing the faculty and students in the audience.

The Complaint Committee requested that the Board President put together a subcommittee of this Board to work with Attorney General counsel to determine disciplinary possibilities when due process prevents the Board from pulling the license of someone convicted of a crime. The sub-committee should advise the Board regarding the type of information the Board can display publicly on its web site, under what circumstances the information can be displayed, and whether the hearing examiner has the authority to grant a stay. The Board president stated that we should take an informal poll at the New York meeting to discover how other Board treat that same situation. Then he will establish a sub-committee to look into it. Both Complaint Committee members agreed with this solution.

Approval of Minutes:

- ▶ Upon motion by Lou Costanzo and second by Horace Emery, the minutes of the July 28, 2017 Board meeting as well as the September 8, 2017 teleconference were approved as circulated. Motion carried.

Other (number 3 on the Agenda) was discussed next.

- ▶ The Board members discussed the ramifications to Chapter 30 Boards of the *WV Funeral Board Performance Audit/Recommendations by the Legislative Auditor*.

NASBA Center for Public Trust Ethics Program

- ▶ Alfonzo Alexander from NASBA's Center for Public Trust addressed the Board regarding their online Ethics program created by the CPT for disciplinary cases at accountancy boards. He discussed the content of the training and certification modules developed specifically for disciplinary matters and customized for specific states.

Assistant Attorney General Katherine Campbell left the teleconference at this point.

CPA Examination

- ▶ Upon motion by Robin Baylous and second by Horace Emery, the Board approved the listing of Successful Exam Candidates who passed the April/May and July/August CPA Exam windows. Motion carried.

Financial Report / P-Card Ratification

- ▶ The Board received the *Receipts and Disbursements Report* for the period ending September 30, 2017 as follows:

Beginning Cash Balance, July 1, 2016	\$623,538.70
Total Receipts	71,365.00
Total Disbursements	<u>(99,332.65)</u>
Ending Cash Balance, June 30, 2017	595,571.05

- ▶ Upon motion by Horace Emery and second by Robin Baylous, the Board ratified the P-Card report of purchases between July 1, 2017 and September 30, 2017. Motion carried.

Technology

- ▶ Executive Director, Brenda Turley, gave a status report of the e-licensing software development status. The next big release will be the CPE Reporting form in November, as well as miscellaneous applications such as reinstatement and activation of license.

Licensing/CPE/Firms

- ▶ Firm title request: Upon motion by Lou Costanzo and second by Horace Emery, the Board determined that as long as the firm's name is approved in the home state, then the firm name will be accepted by this Board. Motion carried with one opposing. The basis for this decision was due to the precedence set by the previous approval of the term "Tax & Accounting Services" and other language included in titles for West Virginia firms. The Board also noted that "attest services" is defined in the Accountancy Law and Rules and is becoming a more common term like "tax and accounting." However, Board members will not approve out-of-state firm titles that have not been previously approved by the firm's home state.
- ▶ Matthew Bowles requested that, going forward, Board staff record the basis for these types of decisions to maintain consistency in Board actions.
- ▶ Upon motion by Robin Baylous and second by Richard Riley, the Board adopted the following CPE Waiver Policy.

CPE WAIVER POLICY

Pursuant to the Code of State Regulations, Title 1, Series 1, § 7.3.1.B., a licensee who has not met the CPE requirement of any given calendar year must file, in writing, for an exemption of CPE hours due to extenuating circumstances such as accident, illness, military service, or other circumstances.

Licensees may also apply to the Board, in writing, for a waiver of CPE late filing fees and/or CPE Extension request fees based on this request.

Board Staff will review and make a determination regarding all requests for exemption. Board staff will notify the licensee regarding the determination in writing within fifteen (15) days of the request. The licensee may request an appeal of the determination by sending a letter or e-mail within thirty (30) days of receipt of the initial notification to request that the circumstances be reviewed by the entire Board. The appeal will be considered at the next regularly scheduled Board meeting.

Subsequent requests for waiver must be made directly to the entire Board for review and consideration.

Appeal Process

- I. Any licensee who wishes to appeal the initial determination for CPE Waiver shall submit the request in writing (through mail or email) no later than thirty (30) days after the initial notification. Board staff will place the appeal on the Agenda for the next regularly scheduled Board meeting.
 - II. At the next regularly scheduled Board meeting, the Board shall review the request for CPE Waiver and make a decision based on the extenuating circumstances presented by the licensee and, if applicable, the licensee's CPE history. The Executive Director or CPE Coordinator will advise the licensee in writing within fifteen (15) days regarding the Board's decision.
 - III. All CPE Waiver requests and resulting correspondence will be uploaded to the licensee's CPE record. These files will be kept on record for a minimum of ten (10) years.
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- ▶ Information regarding Referrals from the Department of Labor - With information forthcoming from NASBA, the Board decided that this time should be added to the agenda of the next Board meeting after attending NASBA's Annual Meeting in New York.

NASBA Meetings

- ▶ Stefani Young, CPE Coordinator, gave a report regarding her attendance at the National Registry Summit in Nashville, TN on September 25-27, 2017.
- ▶ Jon Cain gave a report of his attendance as a member of the CPE Registry Committee in Nashville, TN on September 25-27, 2017.
- ▶ Board members discussed the objectives, advantages and disadvantages of nano-learning as a form of CPE credit. The CPE Coordinator suggested that, should the Board adopt nano-learning, that only a percentage of the total hours be allowed in this type of learning.
- ▶ Jon, Lou, Horace, and Emery will be attending NASBA's Annual Meeting in New York City from October 29, 2017 to November 1, 2017.
- ▶ Jon Cain was appointed to the NASBA By-Laws Committee and Brenda Turley was appointed to the Executive Director Committee.

Other

- ▶ Board member discussed the new cyber coverage by the Board of Risk and Insurance Management.
- ▶ Board members discussed the request from UMUC Online Accounting Program to pre-approve programming. Upon motion by Robin Baylous and second by Horace Emery, the Board approved the pre-written letter to UMUC advising them that *"the Board evaluates each individual candidate's education qualification on a case-by-case basis. While the program in question may meet West Virginia's education requirement, the Board's approval of that education remains candidate-based."* Motion carried.


The next Board meeting was scheduled for Friday, January 19, 2018 at 9:30 a.m.

Jon Cain thanked Marshall faculty and students for attending.

With no further business to come before the Board, upon motion made by Robin Baylous and second by Horace Emery, the meeting was adjourned at 2:100 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 Friday, October 19, 2017.



Jon Cain, President

Robin Baylous, Secretary

Brenda S. Turley, Acting Recorder