West Virginia
Board of Accountancy

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

Jim Justice, Governor

Board Members:
Jon W. Cain, Sr., CPA - President
Robin M. Baylous, CPA - Vice President
Horace W. Emery, CPA - Secretary
Richard A. Riley, Jr. CPA, PhD, CFE, CFF, Assist. Sec.
Louis J. Costanzo, III, CPA
Theodore A. Lopez, CPA

Brenda S. Turley, Executive Director

The Board of Accountancy met on Friday, July 20, 2018 in the Board conference room at 405 Capitol Street, Suite 908, Charleston, WV.

Board Members in Attendance were:
Jon W. Cain, Sr. (Via GoToMeeting)
Louis Costanzo, III, CPA (Via GoToMeeting)
Robin M.Baylous, CPA
Richard A. Riley, Jr., CPA
Horace W. Emery, CPA
Theodore A. Lopez, CPA (Via GoToMeeting)

Others in Attendance were:
Keith Fisher, Assistant Attorney General
Brenda S. Turley, Executive Director
Stefani D. Young, Board Staff
Sara B. Short, Board Staff
Judy Proctor, COO, WV Society of CPAs
Nathan Standley, NASBA Counsel

The meeting was called to order at 9:45 a.m. by Board President Jon Cain and the following actions were recorded.

1. Approval of Minutes

- Upon motion by Robin Baylous and second by Horace Emery, the Board approved the Minutes of April 27, 2018 with the following correction: Page 4, 3rd bullet point under "Board staff reported the status of criminal history record check..." the word "officer" was changed to "office." Motion carried.

- Pursuant to West Virginia Code § 30-9-33, Board members and the Board's Assistant Attorney General representatives are required to obtain training on the subject of federal antitrust law and state action immunity on an annual basis. Nathan Standley, NASBA legal counsel, joined the Board meeting via GoToMeeting to provide a 30-minute presentation regarding federal antitrust law and state action immunity for state licensing boards. Among other topics, he touched on the North Carolina Dental Board case, third-party active supervision, and the Restoring Board Immunity Act (RBI).

2. Complaints

Upon motion by Robin Baylous and second by Horace Emery, the Board went into Executive Session at 10:50 a.m. to consider disciplinary matters pursuant to W. Va. Code § 6-9A-4. Motion carried. Upon motion by Robin Baylous and second by Horace Emery, the Board came out of Executive Session at 12:06 p.m. and made the following actions part of the record:

- **2017-05** The Board was informed that the *Final Order* in this matter was delivered to the

Respondent via Certified Mail and upon motion by Robin Baylous and second by Horace Emery, **this matter was closed**. Motion carried.

- **2017-06** The Board determined that the Respondent had complied with the Board's directive by turning over the Quickbooks file to the Complainant as directed by the Board, and upon motion by Robin Baylous and second by Horace Emery, **this matter was closed**. Motion carried. The Executive Director will notify the Complainant and Respondent. In this case, the Board determined that, if the licensee is serving in the capacity of a Chief Financial Officer for an entity, then the electronic files belong to the client.

- **2017-07A**
- **2018-01**
- **2018-03**
- **2018-08**

These matters involve the same Respondent. Upon motion by Robin Baylous and second by Lou Costanzo, the Board approved the *Verified Petition for Injunction* prepared by Assistant Attorney General David Gilbert as written. Motion carried. The *Petition* will be signed by the Executive Director, notarized and delivered to Mr. Gilbert to file in Putnam County Circuit Court. The Assistant Attorney General Gilbert will arrange to have the motion served on the Respondent.

- **2018-09** Since the Respondent signed a *Consent Agreement and Order* on June 11, 2018 and the Board President signed the *Order* on June 18, 2018, upon motion by Robin Baylous and second by Horace Emery, **this matter was closed**. Motion carried.

- **2018-10** Upon motion by Robin Baylous and second by Horace Emery, the Board directed the Executive Director to write a letter to the licensee directing him that the Board needs a copy of the engagement letter to proceed in this matter. The Assistant Attorney General will review the letter before sending to the Respondent. The Board granted the Complaint Committee permission to engage an investigator for this matter if needed. Motion carried.

- **2018-11** The Board was advised that the Respondent was only given one day to provide the requested documents. The Board also noted that the Respondent informed the Board that he does not keep original documents but returns them to his client when finished. Therefore, he does not have the documents requested. Upon motion by Robin Baylous and second by Horace Emery, **this matter was closed**. Motion carried. The Executive Director will notify the Complainant and Respondent.

- **2016-05** Upon motion by Robin Baylous and second by Horace Emery, the Board approved the proposed *Consent Agreement & Order* to be forwarded to the Respondent. The Board directed the Assistant Attorney General that the *Agreement* must be signed

and returned within 30 days or the Board will set the matter to hearing. Motion carried.

Board members broke for lunch at 12:20 p.m.

The meeting was called back to order by the Board President at 12:45 p.m.

- After a review of college transcripts which identify repeat courses with credit toward the total number of hours secured, the Board determined that repeat college courses would be treated the same way the accredited college or university treat the courses on the transcript. If a repeat course is given credit on the transcript, the Board will accept those hours toward meeting the 150- hour requirement. However, repeat courses will only be allowed one time toward meeting the academic requirement for sitting for the examination.

3. Financial Report / P Card / Budget

- The Board received the *Receipts and Disbursements Report* for the period ending DATE as follows:

Beginning Cash Balance, July 1, 2017	$623,538.70
Total Receipts	346,853.00
Total Disbursements	391,690.24
Ending Cash Balance, June 30, 2018	**$578,701.46**

- Upon motion by Robin Baylous and second by Horace Emery, p-card expenditures for 2018 Q2 were ratified. Motion carried.

4. CPA Examination

Upon motion by Lou Costanzo and second by Horace Emery, the Board approved the 2018 Q2 Successful Exam Candidates. Motion carried.

5. Licensing / CPE / Firms

- Thaddeus Obecny sent an inquiry regarding the jurisdiction of practice and instances for which a license might be required. The Board directed the Executive Director to write Mr. Obecny that if he is servicing West Virginia clients from a West Virginia firm, then he would need a West Virginia Certified Public Accountant's license. Lou Costanzo abstained from comment on this matter.

- A licensee inquired if the Board could waive licensure renewal fees if the licensee has a disability. The Board directed the Executive Director to respond that while the AICPA may have the latitude to waive or reduce fees for its members, Board fees are established by regulation and the Board does not have the latitude to waive or reduce the fees.

- The Board reviewed a licensee's request that the CPE late filing fee be waived. Board members directed staff to send the licensee an invoice for the late fee with a letter stating

that, based upon the circumstances, the late filing fee was due and the Board does not have the latitude to waive the fees.

- The Board reviewed an inquiry regarding acceptable experience to meet the licensure experience requirement. The Board determined that a decision could not be made based on the information provided. Board staff was directed to write to the inquirer informing him what Board Rules and the Accountancy Law states regarding experience.

- The Board reviewed information received from AICPA regarding firms that perform preparation services. The information states that "Firms performing only preparation service engagements under the SSARS are not required to have a peer review for ... state licensing purposes and may unenroll from the program." The Board directed Board staff to let the Advice Alliance and any licensee who inquires know that the Board has not taken a formal position at this point in time.

- Board members reviewed the FY 2018 Listing for CPE Non-Compliance, Lapsed CPA-Inactive Registrants, Lapsed Individual Authorizations, Lapsed CPA Licenses and Lapsed Firm Permits.

6. Legislature

The Board discussed the upcoming legislative session and if the Board should engage a lobbyist to represent the Board during the session. Upon motion by Horace Emery and second by Robin Baylous, the Board gave the Board President the authority to hire an attorney if it is deemed necessary. Motion carried.

7. Technology

Board staff reported that the next step in the new e-licensing system is to begin approving applications received through the system's electronic portal. Board staff will work with Horace Emery to establish the detailed procedure so that all board members can log in to review applications. This step will save paper and time, as well as document the approval process.

8. NASBA / AICPA

- Board members reviewed the information provided for NASBA's Annual Meeting in Scottsdale, Arizona on October 28-31, 2018. Board President Jon Cain, Vice-President Robin Baylous and Executive Director Brenda Turley will attend this meeting.

- Board members discussed the article regarding a third AICPA as well as AICPA's interest in establishing an alternate pathway to CPA.

9. Other

- Board members discussed the October 25, 2018 meeting at West Liberty University in the northern panhandle. The Executive Director will coordinate with Lou Costanzo for contact information. The Board suggested we follow the same agenda and timeline as the Marshall

University meeting in 2017. Lou suggested that Oglebay was an excellent hotel for Board members that must travel to the event. The Executive Director will make those arrangements.

- Board members discussed whether the Board should establish a length of time for which a person has known an exam candidate before signing off as a character reference. The Board determined that this should be determined on a case-by-case basis. All members agreed.

With no further business to come before the Board, upon motion made by Robin Baylous and second by Ted Lopez, the meeting was adjourned at 2:30 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 West Virginia Board of Accountancy for Friday, July 20, 2018.

Board President	Secretary
Assistant Secretary	Acting Recorder