



**NCACPA Board of Directors Meeting Minutes**  
**September 29-30, 2016 | The Lodge at Ballantyne, Charlotte**  
**Donna Taylor, CPA, Chair, presiding**

## Administrative Matters

### Members Participating

Donna Taylor	Rollin Groseclose	Dianne Uzzell
Dan Purvine	Bill Ezzell	Amin Ainolhayat
Sarah Bruce	Lanier Cansler	Shawana Karkouki
Zach Donahue	Kristen Hoyle	Deetra Watson
Kelli Knoble	Scott Showalter	Art Winstead
Ronnie Eubanks		

### Staff Participating

Sharon Bryson, Mark Sotichack, Nikki Vann, Lorrie Leonhardt, Amanda Davis, Amelia Hodges, Jackie Asekhauno, Jennifer Rowell, and Alexis Verbic.

### Guests

NCSBCE staff Bob Brooks, Executive Director, David Nance, Deputy Director; Joe Stewart, Executive Director of NC Free Enterprise Foundation, Raleigh; Jeffrey M. Epstein, Secretary of NC Department of Revenue, Raleigh; and Legislative Counsel, Dave Horne, Esq., Smith Anderson, Raleigh.  
Via - Teleconference, Nick Lombardi, CPA, Stancil & Company CPAs, Raleigh.

### Call to Order

Donna Taylor called the meeting to order and welcomed members of the Association's Board, staff of the NC State Board of CPA Examiners (NCSBCE), and the NCACPA Management Team. CPAs in attendance stood and recited the "Oath of a NC CPA."

### Consent Agenda

Donna pulled the revisions to the Investment Policy out of the consent agenda due to procedural process. First, a motion by Art Winstead was seconded by Dianne Uzzell and unanimously approved the minutes from the June 22, 2016 Board of Directors meeting. The Investment Policy Revision submitted by the NCACPA Investment Committee was separately unanimously approved by the Board.

## Strategic Discussions

### Strategic Operational Update

*Member Engagement Meets Data Analytics* – Mark Sotichack, COO, and Jennifer Rowell, Director of Member Engagement, forecasted membership dues and CPE revenue for five years out zeroing in on age demographics. With the results, NCACPA is currently assessing alternative membership business model plans, strategies around student and associate members, and engagement and retention of 60+ year old members. The presentation also showed how digital engagement can enhance our retention rate and value proposition for members.

**Action Item:** Subsequent to the meeting, questions will be posed to board members via *Connect* to engage in discussion and the sharing of ideas related to these initiatives.

## **Strategic Initiatives of the Profession and the Association**

*NCACPA/NC CPA Foundation Joint Task Force Update* – Chair-Elect, Rollin Groseclose, presented a summary of the collaboration meeting held on August 15 at the association office. Along with members of the Foundation, those committees in attendance were: Student Outreach, Advancement, & Recruitment Committee (SOAR); Member Engagement Team (MET); Accounting Education Committee (AEC); Diversity Action Committee (DAC); and Young CPA Cabinet (YCPA). The issues and observations identified zeroed in on well-intentioned, albeit disjointed efforts by committees regarding opportunities for greater collaboration. As a result of their last Board meeting, the Foundation felt they had enough information to begin strategic planning, and plan to get back together in November.

*Health and Wellness of NC Accounting Education Programs* - Bill Ezzell stated that a survey was sent out to eight North Carolina universities, which they will have six weeks to complete. NCACPA will examine the survey results to identify opportunities for collaboration and advocacy with institutions, educators and potentially, legislators. Separately, Bill provided an update on the Accounting Doctoral Scholars (ADS) program where 108 of the 120 students have completed their PhD programs and are currently teaching. The ADS program is now moving to Phase 2 whereby 15-18 candidates per year (for three years) will be provided approximately \$40 thousand annually to support their doctoral efforts.

*YCPA Cabinet Request* – Ronnie Eubanks, Liaison Director to the Young CPA Cabinet, appealed to the Board of Directors to identify two or more people from their respective firm or business to send to the NCACPA Emerging Leaders Conference on December 1-2, 2016. He explained the need for young people to gain more training and exposure to leadership skills. The board agreed to the request. Ronnie also suggested possibly renaming the event at some future date to the "Business Leadership Conference."

*AICPA/CIMA Joint Venture* – Per request at the prior board meeting, talking points related to the AICPA/CIMA Joint Venture were provided to board members to use for discussion purposes (and not for public distribution.)

*Firm Outreach Initiative* – Sharon Bryson, CEO, discussed her recent joint visits to seven G400 firms with Jay Rothberg, formerly with the AICPA, and Lisa Simpson, AICPA Associate Director of Firm Services. Sharon referenced the great amount of information and insight these visits produced, and felt it was time very well spent. Concentrating on building relationships with these firms, some of the items discussed were: cybersecurity, firm culture, workload compression, and opportunities for NCACPA involvement, noting the need for continued focus on business intelligence. Independently, Sharon also commented on her recent visit with Theresa Drew, Managing Partner of the Carolinas Practice with Deloitte LLP in Charlotte.

### **Professional Development and Future of Learning**

*NASBA Decision* - Amanda Davis, Director of Learning & Development, discussed new NASBA Revisions. NCACPA submitted two letters to NASBA concerning the lack of flexibility and compliance; regulations around nano-learning; blended learning limitations; reduced fields of study; and the mix of acceptable technical vs. non-technical education. As a result, NCACPA is considering its future relationship with NASBA and engaging with the NC State Board of CPA Examiners concerning different alternatives.

*Board Direction of Professional Development Advisory Council (PDAC)* – PDAC Liaison Director, Bill Ezzell, conveyed that PDAC is in the process of re-examining its mission and related procedures, and an update will be provided to the board at the next meeting.

**Action Item:** Subsequent to the next meeting, questions will be posed to board members via *Connect* to engage in discussion and the sharing of ideas related to these initiatives.

### Advocacy and Representation

*Relationship Building with NC Department of Revenue* – Sharon introduced Secretary of the NC Department of Revenue, Jeffrey M. Epstein, and referenced the relationship building that has commenced over the past few months between NCACPA and NCDOR. Secretary Epstein discussed several initiatives of the NCDOR including specific infrastructural areas that need to be updated, various problems that need to be addressed, and corrective plans being put in place. To assist with managing our expectations, he conveyed details outlining the process around change within governmental agencies. Secretary Epstein closed his comments by lauding his agency's relationship development with NCACPA, and said he certainly looked forward to our working together in the future.

*NCACPA Legislative Program* – Dave Horne, NCACPA Legislative Counsel, provided a legislative update including: (i) the results of *Commscope Credit Union v. Butler & Burke LLP*, (ii) professional regulation, (iii) occupational licensing board criticism, (iii) market-based sourcing, (iv) State tax law changes, and (v) legislative review.

## Administrative Matters

*Treasure's Discussion & Audit Report* –Dianne Uzzell, Treasurer, introduced Nick Lombardi, the engagement partner with Stancil & Company, who discussed the results of the audit via conference call, noting no significant issues. At the end of the discussion, a motion from Rollin Groseclose to approve the audit report for our fiscal year ending 6/30/16 was seconded by Kristen Hoyle and unanimously approved.

Since the August financial statements were provided ahead of time, Dianne outlined the change in format going forward. Additional discussion by members included clarification that (i) FY 2017 "projections" do not include opportunities to recapture income or reduce expenses, (ii) changes to budget do not require budget amendment, and (iii) currently there is no policy in place to address the implications of falling below a certain financial threshold. Dianne moved for the acceptance of the August financial statements, which was seconded by Shawana Karkouki and unanimously approved by the Board.

*Executive Committee* – Donna referred to the draft meeting minutes from the Executive Committee meeting included in the Board of Directors meeting material. She specifically mentioned three items in the document:

- The Executive Committee's directive that the Board Governance & Effectiveness Task Force reconvene to address three specific areas of their report to include the nomination process, strategic planning process, and the decision-making process.
- Discussion regarding the new AICPA National Peer Review Administration Fee
- PAC update (which she asked Sharon Bryson to cover), who gave an overview of recent PAC activity, discussing our involvement in the Governor's race, and conveying most of our PAC funds went to candidates running for the General Assembly.

*NC State Board of CPA Examiners Rule Making Discussion* – Donna led discussion on the following information provided to the NCACPA board by State Board Executive Director, Bob Brooks:

- Asked if there were any concerns on upcoming changes to certain rules, specifically record retention
- Discussion as to whether records can be withheld as a result of non-payment for "CPA work product"
- Per State Board Deputy Executive David Nance, the NC State Board of CPA Examiners will create a chart with the retention periods for each service (audit, federal tax, consulting, etc.)

*CPA Day of Service* – Jennifer Rowell announced the CPA Day of Service was a big success, with approximately 2,400 members and 300 firms/businesses participating.

### *Open Forum and Other Business*

Donna brought attention to the fact that documents were included in the board materials packet for informational purposes, but are available to be pulled out for discussion. As an example, Donna specifically discussed:

- Risk Advisory Committee notes and action items
- Firm Outreach – increasing membership at larger firms
- PAC Guidelines – discussed Governance and Structure

Separately, Bob Brooks, Executive Director, NC State Board of CPA Examiners, discussed:

- Peer Review response to position letter concerning proposed change(s) to administering entities
- National Peer Review Administration Fee

## **Strategic Discussion continued**

### **Board Development Series**

*2016 Election Update & Insights* – Joe Stewart, Executive Director of the NC Free Enterprise Foundation presented an in-depth look at the 2016 election. The Board was provided an objective, non-partisan analysis, to help us better understand North Carolina's political landscape.

### **Board Governance & Effectiveness Update**

*Task Force Update and Remarks* – Scott Showalter, Task Force Chair, presented an in-depth summary of their September 8, 2016 meeting. The recent Board survey results were relied upon heavily to formulate discussion. In considering the elements of an effective Board, the following was discussed: strategic focus; board governance; nominating, recruiting and orientation; and content and organization of meetings.

The following were topics posed for discussion:

- Primary objective of board should be clearly and frequently communicated to promote/ encourage the engagement of board members
- Consider the impact of BYOD (Bring Your Own Device) on board member engagement/distraction. A possible solution is to provide time in board agenda to check/send emails, and place phone calls.
- Engage local area professionals – possibly have Sharon or Mark, along with one board member, meet with a firm or organization in the city of the scheduled board meeting.
- BG&E Task Force to reconvene and focus on the following:
  - Board nominating process
  - Strategic planning process
  - Decision-making process (ex. exposure drafts)
  - Board evaluations/reviews
- Other comments:
  - Request feedback from board members through *Connect*, on what is most important for prioritization

**Action Item:** NCACPA management will undertake a process to begin aligning NCACPA Bylaws and Policies

## **Closed Session**

There were no items brought up for discussion during the closed session.

## **Adjournment**

There being no further business to conduct, the meeting was adjourned. The next meeting of the Board of Directors is scheduled to be held on January 19 & 20, 2017, at Pinehurst Resort, Pinehurst.

Respectfully submitted,  
Sharon Bryson, M.Ed., CEO  
Secretary to the Board