



# NCACPA Board of Directors Meeting Minutes

Tuesday, June 22, 2016

Grandover Resort, Greensboro

Donna Taylor, CPA, Chair, presiding

## Administrative Matters

### Members Participating

Donna Taylor

Dan Purvine

Susan Barrett

Zach Donahue

Kelli Knoble

Deetra Watson

Rollin Groseclose

Bill Ezzell

Sarah Bruce

Kristen Hoyle

Eddie Sams

Dianne Uzzell

Amin Ainolhayat

Lanier Cansler

Shawana Karkouki

Scott Showalter

### Staff Participating

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

### Guests

NCSBCE staff Bob Brooks, Executive Director, David Nance, Deputy Director; Peggy Hoffman, CAE, Mariner Management & Marketing, LLC, Columbia, Maryland; and Matthew Eisley, Manager of Strategic Communications, Smith Anderson, 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. She explained that Henry White, CPA, Chair, Peer Review Committee, Stancil & Company, Raleigh, who was scheduled on the agenda, would not be attending the meeting due to a death in his family. CPAs in attendance stood and recited the "Oath of a NC CPA."

## Order of Business

### Board Member Expectations

Donna highlighted some key components of the "Board Member Responsibility" document including:

- Liaison Directors are expected to be (i) connected to their committee and their committee chair, and (ii) overseeing that the committee is moving forward in accordance with the mission, vision and strategic plan of the association.
- Financial accountability of Board members to the NC CPA Foundation and NC PAC.
- The Board must lead by example through its digital engagement with *Connect*.

### Consent Agenda

A motion was approved to accept the consent agenda, which included minutes from the March 24, 2016 board of directors meeting.

### Executive Committee Report

Highlights from Donna's report from the Executive Committee, included:

- Review of minutes from the February 29<sup>th</sup> and June 7, 2016 Executive Committee meetings
- Appointment of Michael Massey, 2014-2017 NCACPA Board member, to the Investment Committee, (to replace Mark Sotichack, past Treasurer, who became NCACPA Chief Operating Officer on 5/1/16.)
- 2016-17 NCACPA Committee Action Plans were reviewed by the Executive Committee, and committees were asked to amend their action plans by August 31, 2016 to include an action item around digital engagement, and to revise any existing action items to be specific, measurable and time oriented.
- The Executive Committee reviewed a summary of the Leadership Summit Roundtable discussions. Mark Sotichack gave a high level overview of these summaries and noted how these topics have led to a preliminary assessment of our future strategic planning efforts and timeline, (which was provided in draft format.)

### Get "Connect"-ed

Jennifer Rowell, Director of Member Engagement, gave a presentation supplying more information on how to use our internal communication platform, *Connect*. The conversation focused on:

- Increased Board involvement on Connect, including discussion and meeting materials being sent through this channel going forward.
- An idea to provide "lunch and learns" at individual firms led by NCACPA staff, and for both YCPA Cabinet members and CPA Ambassadors to educate CPAs about *Connect*.
- A suggestion to hold a 30 minute *Get "Connect"-ed* session at the 77<sup>th</sup> Annual Symposium, (which would count as required CPE).

### Board Governance & Effectiveness

Peggy Hoffman, CAE, Mariner Management & Marketing, LLC, discussed the results of the recent NCACPA Board of Directors survey. It was noted was not all board members had completed the survey, and Peggy strongly urged everyone to do so. She introduced many topics on evaluating effectiveness of the board, and all agreed there was a need to take a deeper look into this area. Donna entertained a motion to create a task force to do so. The motion was seconded and passed.

**Action Item:** A deadline was set for September 29-30, 2016 (our next board of directors meeting) for the task force to analyze data and identify decision points critical to making changes to become a high performing board.

### Treasurer's Report

Treasurer, Dianne Uzzell reviewed the April 2016 financials, with added comments by Nikki Vann, Director of Finance & Administration. The highlights of the update were:

- There were no material changes from the projections presented at the January meeting.
- The September report will include an update to the format and presentation.
- The financials were approved as presented.
- The year-end audit will begin in July, conducted by Stancil & Company, Raleigh, and will be presented at the September meeting.

### Discussion Forum

A new section to Board meetings going forward will be a forum to discuss information on topics provided prior to the meeting, as well as other topics of interest. The Board discussed the matters listed below in greater detail.

- **NC CPA PAC:** The recommendations were to (i) make contributing easier, (ii) formalize the structure and governance of the PAC, especially regarding distribution of funds, and (iii) define our mission (i.e. our ability to provide input with individuals who design/"rule" on issues related to our profession).
- **Cyber Assurance Services:** As this topic is so new, it was agreed anything NCACPA can do to inform/educate members in this area will be beneficial.
- **Practice Management/Data Analytics:** There was concurrence that data analytics will play a major role in the future of the CPA profession, irrespective of audit or tax, and the Board feels NCACPA can play a role in helping firms and practitioners in this area. Some ideas discussed were:
  - Assisting practitioners with an understanding of what data analytics is, possibly through conferences, CPE, etc.
  - Partnering, collaborating, leveraging resources with the Big 4 firms, who have collectively invested over \$1 billion on data analytics from an audit perspective.
  - Consider forming a task force related to data analytics.
  - **Action Item:** Present at the September Board meeting a report on what NCACPA has done to address the issue (i.e. add content in conferences, establish relationships with Big 4 firms, etc.)

### "Proposed Evolution of Peer Review Administration" AICPA discussion paper

Mary Kelly, NCACPA Peer Review Coordinator, supplied an overview of this paper and our current position. The discussion was broken down into three parts and focused on:

- **Background:** The peer review discussion paper is a part of the AICPA's Enhancing Audit Quality initiative, which also includes firm monitoring.
- **NCACPA's Initial Intention:** NCACPA has always been a leader in peer review and in the support of audit quality. As the AICPA has said "changing is not an option," the NCACPA feels we can quit or we can lead. NCACPA intends to be both careful and intentional in communicating our interest in being one of the remaining AEs.
- **Why others don't want to move forward?** (i) attrition of staff, specifically peer review administrators, (ii) size of association - membership, financial capacity, etc., (iii) not interested in peer review.
- **Reasons to move forward:** (i) continue to be a State leader, (ii) service to members, (iii) NCACPA's rapport with the NC State Board of CPA Examiners, (iv) successful oversights, which are indicative of quality AE programs.
- **Biggest issues/deal breakers** are the alleged inflexibility of staffing model/structure, specifically the Director and Technical Reviewer positions, and the significant investment in staffing resources.

Following additional discussion, the board agreed that as an association we would be interested in exploring the AE possibility further.

### Legislative Update

Matthew Eisley, Manager of Strategic Communications, Smith Anderson, provided us with an update, stepping in for our Legislative Counsel, Dave Horne, JD, Smith Anderson.

- RMI sales tax impact since March is 50% ahead of projections. RMI sales tax is currently the primary issue of NCACPA in lobbying efforts, specifically legislative clarification rather than DOR latitude, as well as our concern over proposals for further expansion of scope of RMI to real-property contractors.
- As it relates to professional regulation, the legislature decided to not move forward with consolidation of professional licensing boards.

#### Update from the CEO

Sharon commented on several areas including:

- **Firm & Organizational outreach:** reporting she had engaged in dialogue with 28 firm leaders during the prior two weeks, with 17 of those committing to the over \$20,000 raised in CPA Inauguration sponsorship funds.
- **AICPA Outreach:** noted she had arranged for the following two individuals to meet with the NCACPA Management Team - Mark Koziel, Vice-President, Firm Services & Global Alliances, to review enhanced services to small and mid-sized firms; and Arleen Thomas, Senior Vice-President, Management Accounting & Global Markets, to further discuss the CGMA initiative.
- **Health & Wellness of NC Accounting Programs:** reported the previously discussed survey will be sent to 8 NC universities before summer's end. She acknowledged Eddie Sams, Bill Ezzell, and Lorrie Leonhardt for their ongoing work on this initiative, and added this survey info will be shared with the Accountants' Coalition Steering Committee during their next scheduled meeting.
- **Advocacy:** noted she is in the process of researching and attempting to determine the most effective way to lead this area of the association's work – having talked with a variety of state CPA society CEOs, the current chair of NCACPA's Advocacy & Representation Committee, lobbyist Dave Horne, consultant Joe Stewart, and with the NC Bar Association's Director of Government Relations.
- **Passing of AICPA/CIMA Joint Venture** - Sharon provided stats from a prior AICPA webcast which referenced the total vote captured approximately 15% of the Institute's membership. The Board discussed the following **Action Items:**
  - The Board will "codify" its rationale for supporting the joint venture
  - The Board should be prepared to create talking points on this subject, especially if the AICPA does not do so.
  - Prepare to discuss at the September board meeting the impact of non-CPA CGMAs to the NCACPA

#### Other Business

Mark announced that Lorrie Leonhardt, Director of Communications, recently achieved the Certified Association Executive (CAE) certification, a program offered by the American Society of Association Executives.

#### Adjournment

There being no further business to conduct, the meeting was adjourned at 4:35 pm. The next meeting of the board of directors is scheduled to be held at The Lodge – Ballantyne Hotel, in Charlotte on September 29 & 30, 2016.

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