

# disclosures

THE OFFICIAL MAGAZINE OF THE VIRGINIA SOCIETY OF CPAs

SUMMER 2022

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# Our aim? Solve your problems

*At the* VSCPA we pride ourselves on listening to your concerns and doing everything we can to help. Sometimes that means quickly pulling together a CPE course on an emerging issue. Other times, we develop resources, send surveys, or seek new partnerships.

This year, we are focusing on two of your specific pain points: rolling conformity and capacity. The Board of Directors has individual task forces working on both.

This is not the first time we've brought up rolling conformity, but it's such an important topic that we continue to devote more time and resources to getting this done. We know how annoying it is for those of you who prepare taxes to wait each year for the Virginia General Assembly to pass a fixed-date tax conformity bill. And if you who work in nonprofits or corporate finance, this affects you, too, when you prepare your own taxes.

Tax conformity is a huge administrative problem, and with the full power of you, our members, as well as our leaders and legislative counsel, we believe we can show lawmakers why it's *necessary*.

Having member involvement in this issue is crucial. Do you know a legislator from your hometown? Let us know by visiting [votervoice.net/VSCPA/Relationships](https://www.votervoice.net/VSCPA/Relationships). Make sure you're reading our emails on conformity and visit <https://www.vscpa.com/taxconformity> for our whitepaper, resources, and the latest news. You'll hear more about our efforts all year long.

Another pain point? Finding the capacity at your organizations to serve clients and complete your work. You are pulled in so many directions — evaluating new and innovative tools, keeping up with regulatory changes, developing new lines of business, and providing top-notch



client service. All those things are difficult to do when, day in and day out, you can't find the time and must contend with talent wars.

Our Board task force is tackling the capacity challenge from all angles. We have three surveys either now complete or in the works to provide you with more information on recruitment, new hires' desires, compensation and benefits, and more. We're discussing innovative ways you can solve talent problems, and we're loading our new Capacity Resource Center with help: <https://www.vscpa.com/capacity>.

As always, I want to know what else we can do. Email me anytime! ■

*Stephanie Peters, CAE, has served as VSCPA's president and CEO since 2007.*

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## BURNING QUESTION

# Has the *pandemic* forever changed work culture?

*Do you prioritize* your well-being over work? Do you want to? According to Microsoft's Work Trend Index 2022, 53% of employees actually are. Due to the pandemic, workers are re-evaluating their positions in the workplace. With this re-thinking in mind, the Work Trend Index observed the aspects of a job that respondents call "very important":

1. Positive culture
2. Mental health
3. Sense of purpose
4. Flexible work hours
5. More than the standard two weeks paid vacation

Gen Z's prioritization differs from respondents overall:

1. Mental health
2. Work-life balance
3. Risk of getting COVID-19
4. Lack of confidence in management
5. Lack of flexibility

Read more on the report from Microsoft at [tinyurl.com/Microsoft-Trend-Index](https://tinyurl.com/Microsoft-Trend-Index).

## WHAT'S THAT MEAN? Workcation

Because of the pandemic, an overwhelming number of workers are choosing to have a remote work schedule for the flexibility to travel. Defined as a "workcation," this style of working allows for a boost in productivity, location flexibility and greater productivity.

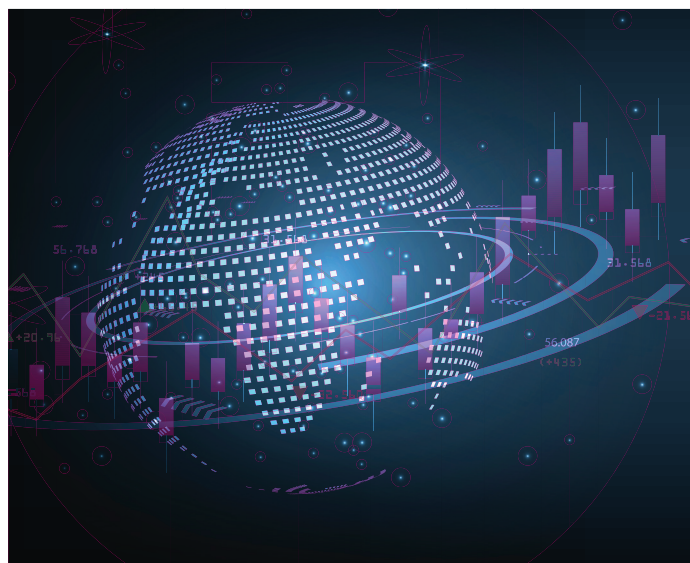
## An inclusive future

Three accounting organizations collaborated on a report focusing on diversity, equity and inclusion (DEI) in the profession. Why? There's a lack of all three. The report found that fewer than 60% of all backgrounds view the profession as equitable or inclusive. The report discusses catalysts for DEI action, actionable DEI solutions, and how to begin collective action. Read it at <https://tinyurl.com/DEI-Report>.

# Accounting for a better world

With ESG (environmental, social and governance reporting) on the rise, the Association of Chartered Certified Accountants (ACCA) released a report that examines the role of the accounting profession and its part in shaping a better world. The report's seven core priorities are economy, talent, sustainability, regulation, public sector, small business and trust. Specific steps of the priorities are build resilient economies, develop the talent of tomorrow, drive sustainable business, advance standards and regulation, transform the public sector, support entrepreneurial growth, and strengthen ethics and trust.

Read more about the report or download it at [tinyurl.com/ACCA-Report](https://tinyurl.com/ACCA-Report).





## TICKER

63

The percentage of CPA firms using an external cloud provider to host applications.

51

The percentage of CPA firms using an external cloud provider two years ago.

65

The percentage of U.S. nonprofits seeing an increase in demand for programs and services.

58

The percentage of U.S. nonprofits experiencing budget shortfalls.

1.3

The percentage increase in population in Virginia during the 14-month period ending in July 2021.

41.5

The percentage increase during that period in New Kent, the highest-performing locale. New Kent is followed by Louisa, Goochland and King George in growth.

34

Virginia's ranking among the states for overall tax burden at 8.18%.

12.75

The percentage of overall tax burden in New York, No. 1 on the list. Alaska comes in last with 5.06%.



## Show *Virginians* why they can #CountOnCPAs

Plan now for Virginia CPA Week: Sept. 19–25, 2022.

*We know you* and your organizations are the cornerstone of our economy, so let's remind Virginians of the importance of CPAs during Virginia CPA Week next month! How can you join in? All the details are available at [vscpa.com/CountOnCPAs](https://vscpa.com/CountOnCPAs), and here are a few ideas to get started!

- **Use our branded social media graphics on your social platforms** (downloadable from the VSCPA website), along with the #CountOnCPAs tagline. Tell your clients and other followers what you do and why it's important!
- **Recognize your CPAs on staff.** This could be a calling out CPAs during staff meetings, buying your teams lunch, giving them a small gift, or anything else they would enjoy!
- **Take part in a service activity.** We all know #CPAsGiveBack, but it's a great week to take part in a community service project or activity as a team-building activity. Don't forget to let us know what you do and send pictures to [communications@vscpa.com](mailto:communications@vscpa.com). We'll share them!

# 'By auditors, for auditors': The *Dynamic* Audit Solution

DAS introduces a new risk-focused and data-driven audit methodology.



Zach Shoaf, CPA

*Checklists and analytics* have long been staples of the audit profession. However, the Dynamic Auditing Solution (DAS) initiative, a joint venture between the American Institute of CPAs (AICPA), its subsidiary, CPA.com, CPA firms, and CaseWare International, aims to enhance the process.

Here's an update on the where the initiative stands from Amy Pawlicki, AICPA vice president of assurance and advisory innovation.

## WHAT IS THE STATUS OF THE DYNAMIC AUDITING SOLUTION PROJECT WITH REGARDS TO PILOT PROGRAMS? WHAT HAS BEEN THE RESPONSE?

Since the launch of the DAS initiative, firms participating in DAS have progressed through a first round of User Acceptance Testing, to a Minimum Viable Product (MVP), and most recently to a first end to end release (R1) last October. Release 2 (R2) is expected later this year. In addition to being able to experience and provide feedback on the progression of DAS through pilot testing, many of the DAS participating firms have staff working directly on the development of the DAS methodology and application — so DAS is truly a being developed by auditors for auditors. To date we have received positive feedback from firms on the integration and connectivity built into the tool, in particular as it relates to how the tool helps auditors to better identify and understand the connections between risks, controls and responses.

## HOW WILL THE DAS APP BENEFIT AUDITORS?

DAS introduces a new risk-focused and data-driven methodology, enabled through a fully integrated software application. DAS is being built to help the auditor to identify and focus on relevant risks throughout the audit process, from understanding

the entity and its environment to risk assessment and response, ultimately driving both efficiency and quality.

## HOW WILL THE DAS APP REPLACE MANY OF THE DATA ANALYTIC TOOLS USED BY AUDITORS TODAY?

There are lots of great data analytics tools on the market today, and we encourage firms to proactively explore these tools as audit data analytics are not integrated in most commonly used audit workflow tools. One of the things that is different about DAS is that it is a fully integrated audit workflow solution, so a user of DAS would not need to leverage a separate stand-alone data analytics app because data analytics are built into the DAS methodology and workflow. That said, to the extent that a firm wishes to use an app that offers capabilities that go beyond what is incorporated in DAS as of any given release, they would be able to connect to that app from DAS through an API (in the case of a data analytics app, the auditor would be able to export data from DAS into that external app, and import the results of any analytics run back into DAS).

## HAS THE GOAL FOR THE PROJECT CHANGED OVER TIME AND HOW SO?

No, the vision for the DAS initiative has not changed. From the start, it was envisioned as a multiyear initiative that, rather than simply automating how audits are performed today, will employ a new methodology that maximizes the potential of technology to drive audit quality and insights.

## ANY DIFFICULTIES ENCOUNTERED RECENTLY WITH THE PROJECT?

Any project of this size, complexity and ambition brings both opportunities and challenges. What has been most encouraging, however, has been the willingness of the firms involved to stay committed



to the long-term vision in spite of the temptation to compromise that vision in favor of short-term gains. Instead, the firms have been open to the key methodological changes, and willing to work through the up-front effort that has to be invested to enable constant progression toward the full DAS value proposition. We are fortunate to have a talented and innovative group of firms and auditors who are working with us to address not only the technical challenges, but also the change management challenges that are inevitable in the context of this degree of transformation. ■

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Zach Shoaf, CPA, is a senior associate at DHG LLP in Tysons and a member of the VSCPA Editorial Task Force.

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# 3 quick ways to *boost* audit quality

Implementing project management tools can bolster results.



Natalya Yashina,  
CPA, DASM

*We've all been* focusing on audit quality for a long time. The accounting profession, including both public accounting firms and private industry, is evolving rapidly and we're keeping up with the changes as best as we can. Regulatory bodies publish new pronouncements every year that need to be assessed, sliced and diced and, in many cases, implemented. Sometimes it may take a little while to completely catch up and fully grasp the new requirements and standards.

The 2020 Public Company Accounting Oversight Board (PCAOB) inspection reports for the largest six accounting firms demonstrated a significant improvement in audit quality from 2019 — largely driven by PwC's results.<sup>1</sup> PwC successfully reduced the number of deficient engagements from 30% in 2019 to just 2% in 2020. This was great news and shows incredible focus.

However, auditors continue to be challenged by specific audit areas, like revenue for example. Audit quality is paramount to the accounting profession. So what can we do on a daily basis, in addition to focusing on training, to help increase audit quality? Audit teams can free up time and focus on the quality of their work by adopting some key project management tools that can work for them.

## 1. 10-MINUTE STAND-UPS

When implemented correctly, 10-minute daily stand-up meetings really work. They really *are* stand-ups, whether you hold them in person or virtually. When we sit down for a meeting, our bodies are prepared to be there for a while. Standing up motivates us to keep the meeting short. During a stand-up meeting, each team member has to answer just three, and only three questions:

- What did you do yesterday?
- What will you do today?
- What's blocking your progress?

It's important to NOT try to solve any impediments that are voiced during the meeting. You schedule a separate

meeting with that team member who noted that something was blocking their progress. This will allow the rest of the team to go back to their work without having to spend valuable time listening to an issue and resolution that do not pertain to them or their work.

When implemented effectively, stand-ups can be an excellent solution to reduce the number and perhaps the length of an internal status meeting. They're a great way to get a brief overview and status of an entire project without diving into details.

## 2. KANBAN BOARDS

Until recently, if you wanted to get into Imperial Gardens in Tokyo, Japan, you needed to get a card and upon your exit, return that card. These cards were free but if there were no cards available, you had to wait until one became available. The cards were a brilliant and low-cost way of limiting the number of people that could be in the gardens at one time, and it's the same idea behind a Kanban board.

The word "Kanban" is roughly translated to "card you can see" or a "signboard." In the 1950s, Toyota introduced the use of Kanban to standardize the flow of parts in the just-in-time (JIT) production lines.

Kanban is a method to manage and improve work across human systems. It helps with visualization, efficiency maximization, and continuous improvement. While it's mainly used in software development today, it also can be used in a professional services industry.

Here is how it can be implemented on an audit engagement:

Instead of keeping a long "to-do" list on your audit engagement, group the engagement's tasks into columns on a board under the headings: To Do, Doing, and Done. This can be a virtual or a physical board. Since audit engagements are complex, I recommend using separate Kanban boards for areas of planning, controls design, implementation, and/or operating effectiveness test work, substantive test ►



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work, and wrap-up. This approach will allow the team to manage each area more effectively and provide a better visual of each area's status.

### 3. CONTINUOUS IMPROVEMENT OR KAIZEN LOOPS

A Kaizen loop is a strategy in which a team experiments with a small change (like a 10-minute stand-up, for example) and adopts the change if it works or rejects the change if it doesn't. Essentially, it's a "Plan, Do, Check and Act" loop. Failing fast is a concept behind Kaizen loops. And it's not a bad thing — quite the opposite. The faster you fail at something, the faster you'll be able to identify what works the best for your team or even to complete a task correctly.

To be successful at using Kaizen loops, you need to limit your batch sizes. For example, if you decide to implement Kanban boards on your engagement, implement one board for planning. If it works, great — you can adopt the method for the rest of the engagement. If it doesn't, move on and find what works better for your team.

Limiting batch size is also applicable to the audit review process. It's better to send a smaller batch in for the manager's or partner's review and receive their feedback and comments quickly rather than wait until you have a larger batch. If test work didn't address risks identified during the planning stage, it's better to learn about it earlier to remediate the situation faster.

### A NEW WAY OF WORKING

Introducing a new way for working to your teams can be challenging. Some embrace the change, while others may find it stressful and resent it. Effective management of your and your team's emotions during this time will help achieve a positive outcome. Helping our teams to embrace change starts way before introducing the change. It begins with:

- Earning your teams trust by being honest and reliable.
- Being an active listener
- Collaborating with your team by sharing information.
- Giving your team the freedom to be awesome.

We also want to empower our teams to choose their best ways of working and encourage what works for them so they can deliver the highest quality results and seek continuous improvement.

Implementing project management tools that work for your team can help your audit engagement run smoother and improve processes and procedures — ultimately freeing up time to focus on improving audit quality. ■

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*Natalya Yashina, CPA, DASM, is the founder and CEO of Capital Accounting Advisory, LLC, where she provides training services, project management, and technical accounting solutions. She was the 2020–2021 chair of the VSCPA Accounting & Auditing Advisory Committee, which she has served on since 2018.*

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<sup>1</sup> *Firm Inspection Reports, Public Company Accounting Oversight Board.* <https://pcaobus.org/oversight/inspections/firm-inspection-reports>

### OTHER RESOURCES

- "Guided Continuous Improvement (GCI): Speeding Up the Agile Kaizen Loop": [pmi.org/disciplined-agile/gci](https://pmi.org/disciplined-agile/gci)
- "Designing the Kanban Board": [pmi.org/disciplined-agile/designing-the-kanban-board](https://pmi.org/disciplined-agile/designing-the-kanban-board)

# 4 ACCOUNTING TECHNOLOGY SOLUTIONS TO *modernize* YOUR FIRM



*It's been almost* four decades since accounting software was widely embraced and utilized by the public and professionals alike. How has technology impacted accounting in the years since? As the demands on the industry have evolved, accounting technology solutions are more vital than ever in helping accounting professionals improve performance across every aspect of the business.

In this article, we'll look at the latest trends in accounting software and discuss new technologies in accounting. Each of the technologies covered below are making a significant and lasting impact on the future of accounting.

## AUTOMATED SOLUTIONS

Historically, accounting firm automation was used to simplify processes that were tedious, repetitive and time-consuming. Today, the benefits of automation include providing data on the performance of various products or features. By gaining a real-time understanding of what customers want from their accounting firm, it's easier to plan more effectively and make sure you're offering products and services with increasing demand.

## ARTIFICIAL INTELLIGENCE (AI) AND MACHINE LEARNING

Artificial intelligence (AI) takes automation to the next level by quickly consuming and interpreting massive amounts of data, as well as providing analysis of the data.

Machine learning is used to develop algorithms that learn patterns in accounting tasks to help reduce mistakes and avoid having to look for errors. It's also useful in conducting audits and developing predictive analytics that can be used to forecast trends.

By utilizing new technologies in accounting, like more sophisticated AI and machine learning software solutions, firms will be better positioned to make informed decisions based on data that reflects the evolving changes of the business.

## CLOUD-BASED SOFTWARE

Cloud-based technology solutions have become increasingly popular at accounting firms, as the software can be used to provide a wide range of valuable offerings, from creating workflows and managing projects to tracking inventory.

There was a time when firms almost exclusively relied upon on-premises solutions, but these systems often required a long deployment cycle and dedicated staff. The continued optimization of modern accounting software has given firms the confidence to migrate an ever-increasing number of operations to cloud-based software.

While data security used to be an issue of concern, today's cloud-based solutions offer comprehensive security services, from multi-tiered authentication to extensive network redundancy to secure backup.

## ONLINE PAYMENT SOLUTIONS

As the future of accounting continues its shift toward digital transformation, online payment solutions are faster and more secure than they were even a few years ago. Digital payments make it easier for companies to set up regular and recurring automated payments while reducing the costs associated with traditional manual payments such as printed checks.

More than four in five Americans used some form of digital payment in 2021, and all indications are that the practice will become even more ubiquitous in the years ahead. Digital payments are popular because they are fast, easy, and provide a level of convenience that is welcomed by consumers and companies alike.

As technology continues to rapidly transform the accounting business, it's important to know how technology and software can help your business stay competitive and capitalize on your expertise.

At CPACHarge, our experts can talk you through the challenges and opportunities presented by digital transformation. Schedule a demo at [cpacharge.com/demo](https://cpacharge.com/demo) and find out how you can take your business to the next level. ■



## What's in a *name*?

It may sound simple, but correctly pronouncing a name is an easy first step toward inclusion.



Kavitha Prabhakar



*Learning how to say and pronounce* an individual's name is a small, yet intentional act of inclusion you can engage in today! I'm sharing my perspectives on why this is important and would love to hear from you on your personal experiences.

I was thrilled to recently find out about several technology name pronunciation features. I know that the pronunciation of my full name — Kavitha Prabhakar — is often one of the first questions people ask when they meet me. I definitely appreciate that, because we all know how awkward it can be in a meeting or networking event when someone mispronounces your name or calls you by the wrong one entirely. It can be uncomfortable, or worse, it can make some people feel unseen.

A name is often central to our identity — it is an essential element for human connection and belonging. Our names often have ties to our culture, our families, and our origins. Take my name for example: Kavitha/ कविता means “poem” in Hindi and represents my mom's love for the arts. At work, I choose to go by “KP” — not because my name can be difficult for some to pronounce and this is an easy out, but because my father in India has the same initials

and every time I hear KP, it reinforces this meaningful connection to him.

When we talk about inclusion, we can often become laser focused on the big challenges and systemic issues we need to tackle. We absolutely should, as this is essential to progress on equitable outcomes, but in the process, we may overlook the intentional and powerful changes we can make in our day-to-day interactions. Learning how to pronounce someone's name may seem small, but often times it can be incredibly impactful.

**MAKING AN EFFORT TO GET SOMEONE'S NAME RIGHT IS AN OPPORTUNITY TO CONNECT.**

Culture sometimes plays a major role in which names are considered hard to pronounce. There has been a historical tendency for white European names to be seen as normative in the United States.

This can put pressure on individuals with names from non-dominant cultures to change their names on résumés to avoid potential bias and develop Anglicized versions of their given names to make it easier for others to pronounce them. Researchers from

## "If I'm going to tell you a real story I'm going to start with my name"

— Kendrick Lamar

Stanford University and the University of Toronto found that those who changed their résumés were twice as likely to get call-backs for an interview, compared to those who left ethnic details intact. Furthermore, another study found that easy to pronounce names, and their bearers, are evaluated more positively than difficult names and the people who hold them.

While we all make mistakes when it comes to pronunciations, let's take time to understand how they could be received and experienced. Taking time to correct our mistakes, and making an effort to get the pronunciation right, can help people feel seen, and as though we value their culture, family and origins. At Deloitte, where inclusion is a core value that is embedded in the fabric of our organization, getting this right is one way we can all help to create the talent experience we aspire to have.

### SO, WHAT CAN EACH OF US DO?

Here are some of the things I've tried to do and have seen and learned from others.

- Ask people how to pronounce their name and if it has any special meaning.
- Look up how to pronounce names in advance of a meeting.
- Use technology, such as Namecoach or NameDrop, that provides pronunciations of your name — some of the technology allows individuals to personally record their name or accept an automated option.
- Include the phonetics of people's names in presentations and written introductions.
- Gently correct people if they mispronounce your name and practice the correct pronunciation with them.
- Be open to corrections from others if a team member/ally offers it.
- Don't avoid using the name in fear of getting it wrong — instead try to give names the attention they deserve and practice until you get it right.

## NEED MORE HELP WITH DIVERSITY IN THE WORKPLACE? WE HAVE YOU COVERED.

Check out the VSCPA Diversity, Equity and Inclusion (DEI) Resource Center at <https://www.vscpa.com/diversity> to find links to what we offer, including:

- Education like our diversity-related ethics course and others.
- Original articles on DEI and profiles of minority VSCPA members excelling as CPAs.
- VSCPA initiatives like the Curtis C. Duke and Dr. Ruth Coles Harris Scholarship Fund (see page 36).
- Podcasts and videos with DEI themes.
- Links to useful whitepapers, toolkits, organizations and initiatives.

- Role model the behavior so others on your team are encouraged to follow.

Making the effort to correctly pronounce someone's name is a small act that conveys respect and understanding and can go a long way in helping people feel valued. At the end of the day, isn't that what we all want? ■

---

*A proud immigrant, American citizen, mother, woman in technology, and champion for social change, Kavitha Prabhakar is the chief diversity, equity, and inclusion (DEI) officer for Deloitte US. "What's In a Name?" was originally published on LinkedIn in July 2021. Contact her at [chiefdeiofficer@deloitte.com](mailto:chiefdeiofficer@deloitte.com).*



# THE BEAUTY IS IN THE MATH:

## *Top 5 crypto*

# QUESTIONS ANSWERED



Abigail Olson

*Cryptocurrency is gaining* momentum and becoming more mainstream. As founder of Afloat, a blockchain-based tax credit marketplace, VSCPA member Louise Reed, CPA, answers a lot of questions about crypto and other innovations.

“You can’t truly appreciate the value of bitcoin until you understand the underpinnings of the math that make blockchain technology profoundly disruptive,” Louise says.

Mathematically speaking, Louise says, what can be done can mostly be undone: addition can be undone

with subtraction; sine with arcsine; derivatives with integrals; and Fourier series with Fourier transforms. In accounting, there are journal entries and reversing journal entries.

However, in the late 1900s, computer programmers developed a one-way function, which, by definition, cannot be undone. They called it a hash function.

Louise employs an example of someone’s dog to further explain hash functions. “Let’s say you have a picture of your dog made up of pixels, and you hash it. You’ll get a long string of numbers and letters. If



you give a copy of that digital image to your friend, who changes the sparkle in your dog's eye from white to a light brown, and you hash that slightly modified image, you get a completely different set of numbers and letters."

The new set of characters indicates a change but does not specify what changed, how much or why.

Each pixel in Louise's example represents a person's wallet with the amount of Bitcoin they have at any moment in time. If that information is hashed, a string of letters and numbers result. This truth of the amount in everyone's wallet is copied on thousands of computers around the world, which means that if one bad actor changes the amount of bitcoin in anyone's wallet, all the other computers will instantaneously know that the bad actor's computer doesn't hold the truth.

"Imagine that Sally pays Harry a 10th of a bitcoin, which is a legitimate transaction in real time. The bitcoin algorithm, for example, takes a hash from the past and the new legitimate transactions of the past 10 minutes and hashes that combination. So, every 10 minutes, you have a hash of new information plus the most recent previous hash. That is the chain of blockchain."

Here are the top five questions Louise receives when giving presentations on the blockchain and cryptocurrency.

## 1. NO GOVERNMENT OR COMPANY BACKS BITCOIN, SO WHY DOES IT HAVE ANY VALUE APART FROM SPECULATION?

Louise says to compare the time, resources, energy and property that banks use to keep track of everyone's bank accounts, and how much effort it takes to keep those accounts secure from robbers, hackers, internal fraud and other bad actors. Having existed for more than 10 years in a hostile global environment, the bitcoin blockchain has never been hacked. Its security, efficiencies and liquidity alone give the cryptocurrency its intrinsic value.

"The U.S. dollar is no longer backed by gold. Our governments, the federal reserve and financial institutions consistently use the monetary multiplier effect to stimulate our economy. The bitcoin algorithm has a programmed and set decreasing inflationary rate with an eventual maximum supply and circulation.

That is not true with the U.S. dollar or other government-controlled currencies."

While many people trust that the U.S. government has good command over monetary policy in the domestic and global economies, bitcoin and blockchain technology remove the need for that faith.

## 2. WHAT ACCOUNTS FOR THE EXTREME PRICE VOLATILITY IF A CRYPTOCURRENCY HAS INTRINSIC VALUE?

In traditional markets, such as the stock market, the money and intelligence at large financial institutions dampen the price volatility. However, the U.S. government has not encouraged cryptocurrency, leading to the absence of those large financial institutions.

"For the original programmers and creators of blockchain technology, the demand holds strong throughout crypto winters. Since the cryptocurrency markets are available 24 hours a day, 365 days a year with no barrier to entry, early investors can become addicted to trigger-happy highs and lows — a little bit like gambling."

Because of its availability with no barrier to entry, the market tends to attract risk takers and social media followers, both banked and unbanked. The nuances of the bitcoin algorithm are hard to understand, and the concepts are new to our traditional financial markets, giving disproportional weight to an Elon Musk tweet.

Louise has spent many hours with a Virginia Commonwealth University cryptography professor to learn more about the bitcoin algorithm.

"Even still, it is hard for me to trust the algorithm when an element of it has not been tested yet, and here's an example. The bitcoin algorithm uses a 'lottery' type system to determine which of the bitcoin miners will determine the next block of new transactions. If a bitcoin miner knew ahead of time which block they would determine, they could manipulate the data. But because of the way the algorithm was created, the miners do not know if they have won the lottery until the very last second, which adds to the security of the chain."

Before China's government outlawed bitcoin mining in June 2021, two-thirds of miners were located there. The bitcoin markets reacted with a substantially lower price in bitcoin. ►

“It wasn’t until a month later that you could witness the algorithm working as it was designed. When the pool of miners is very big, the threshold of correct answers to win the lottery is very narrow. When the number of miners substantially decreases, the algorithm automatically adjusts the window of right answers to win the lottery to ensure a new block is mined every 10 minutes. Therefore, the incentives to be a miner outside of China became that much more lucrative.”

The technology is designed to be bigger than any country or government.

### 3. BECAUSE IT’S EASY TO CREATE A COIN, THOUSANDS EXIST, SO WHY SHOULD ANY PARTICULAR CRYPTOCURRENCY HAVE VALUE OVER OTHER EXISTING OR SOON-TO-BE-CREATED ONES?

“Knowing who created the coin and for what purpose is a strong determinant of value and future adoption. The newer coins have been less tested simply because they’re newer and therefore carry more risk and are usually less valuable. Amazon stock trades at a higher price per share than a stock spun up just yesterday by an individual.”

Not unlike spinning up a corporation or partnership, most coins have different attributes and long-term potential. One of the distinguishing attributes of these coins is the consensus mechanism for determining who secures the next block of information: proof of work, proof of stake, proof of authority, and new ones being tested every year. Another differentiation is the ability of additional programming to be attached to the main blockchain. Other factors include speed, security and innovation. Along with brand and name recognition, the maximum number of coins that are in circulation and will ever be in circulation are taken into consideration when determining the value of a cryptocurrency.

Although bitcoin has held up for more than a decade, there are a number of coins with vulnerabilities, which hackers have exploited to control the coin and make a lot of money. The most common and well-known example is the 51% attack. If the coin doesn’t have a substantially large capitalization, a person or entity with a lot of access to capital can quickly buy 51% of the coins to ensure they control the transactions to their benefit.

“It’s not breaking the code, it’s taking advantage of how it was written in a way that the original creators didn’t intend for it to be used. This is why time in a public domain is the best test of security and resiliency.”

### 4. HOW SHOULD A SMALL CPA FIRM TREAT A CLIENT WITH CRYPTOCURRENCY ASSETS?

Most people in cryptocurrency and the blockchain industry enjoy a certain amount of adrenaline rush on the novelty and risk.

“The CPA profession in general tends to be particularly conservative and risk averse. Anything an accountant can do to empathize, accept and validate the client’s risk tolerance — even though it may not be their own — goes a long way. It’s important to remember that this industry is evolving and innovating so much faster than our tax code and government know how to understand, let alone respond.”

Louise finds it helpful to remember that the accounting industry has historically been wrought with estimations and judgment calls. She compares the unclear IRS treatment of staking awards to how the “expense versus capitalize” threshold has morphed with new IRS guidelines and tax court cases through time.

“I tell my blockchain and cryptocurrency clients that it is extremely important for them to have a very good, clean set of books outside of the cryptocurrency transactions, so that if they are taking risks in unclear areas of the tax code, they can demonstrate to third parties that where the tax code is very clear, they are in compliance.”

Louise does tend to give her cryptocurrency and blockchain clients choices within the tax treatment reasonableness spectrum.

“Right now, there are circumstances where the tax code regarding crypto and blockchain is clear, but the accounting and technology required to get a perfect answer is unreasonable given the income and scale of the entity’s situation.”

There are tax software solutions coming out to address this challenge, but it’s important to remember that, by definition, that industry trails the innovation and will never be fully up to date.

## 5. ISN'T CRYPTOCURRENCY ENVIRONMENTALLY UNFRIENDLY?

"When I get this question, the first point I want to make or that I want people to account for is the energy required right now in our world to maintain our banking systems. Think of the staff, think of the bank clerks, the security officers, the programmers. Think of the real estate, the buildings to maintain, the lights to keep on, and all the people traveling from their homes to support a trusted, secure banking system."

The additional value of bitcoin having a global audience and increased liquidity is that no real estate, governance board or cars are needed to move money.

"From the programmers and cryptographers that I respect the most, there appear to be trade-offs between energy use and security right now and for the foreseeable future — the more energy efficient a blockchain, the less secure. Bitcoin is particularly secure because of its need for power."

Louise believes that the energy required for securing bitcoin could incentivize discovering more efficient sources of energy. Within days or weeks following social media attention to the negative environmental impact of cryptocurrency and blockchain, the president of El Salvador announced an intention to harvest energy from a dormant volcano for geothermal power.

"Is it possible that the desire to mine bitcoin will help someone figure out how to capture energy from hurricanes, tornadoes, tidal waves and other forms of severe weather?" ■

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*Abigail Olson is a freelance writer based in Richmond.*

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# WHAT NEW GRADS *really* WANT

Do you or your firm want to attract the best and brightest? Here's what near-future CPAs are looking for.



most important issues to look for when applying for a job.

June Schlereth, a recent graduate of Mary Baldwin College, said she checks the benefits package when looking through the company's application.

"As a woman, one thing I like looking at is how long maternity leave is. Right now, at the company I'm at, it's six weeks," said June. "I'd like to have more time off, then start to come in part-time."

Regarding how to work, 51% of students said the ability to work all or some of the time remotely is an important aspect of a job when applying.

Anthony Falls, a business administration student at Western Governors University, falls within that 51%. Although he has found a position as a staff accountant, the search wasn't easy; he had trouble finding a job that offered remote work.

"It didn't even have to be fully remote," Anthony said, "It could even be a few days on-site and the remainder of the week at home. There were a few companies I was deeply interested in, and it didn't work out because of the lack of remote work."

## CONNECTING STUDENT TO JOB

Although the students want remote work for post-graduate jobs, the remote communication throughout the COVID-19 pandemic has created a barrier for creating connections between recruiters and some students. One student said that it can be "a lot more difficult to connect with recruiters when they are coming in-person to college events much less often than they used to."

Although, other students say they like virtual career fairs because of their accessibility. ►



Tori Smith

*"Pomp and Circumstance"* plays as college graduates grab their hard-earned degrees and switch their tassels to the other side of the cap. As they walk off the stage, they look forward to their futures — though some may have questions and challenges about their career paths.

Graduates are left with the "Five W's": who, what, when, where, why and how. The VSCPA wanted to know: What graduates are truly looking for in the job field today? How do they plan to tackle the Five W's? A survey of 40 students conducted this spring offers valuable information, including students' stances on remote work, important aspects of a job environment, and obstacles they currently face while in school.

## HALF OF GRADS WANT REMOTE WORK

Students rank salary, a benefits package, company culture, and flexibility to work remotely as the

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Danielle Willgruber, a recent graduate of Virginia Commonwealth University, is one.

“As someone who has hearing loss, it’s easier for me if I can do a virtual fair,” said Danielle. “It depends upon the design of the fair. The few I’ve been to are where you can sign up for one-on-one sessions. I have a dedicated time; I’m not waiting in line with 50 other people.”

Students also responded saying that they’re not sure what positions they’re truly qualified for. From the answers of the survey, it’s apparent that they don’t have many or any chances to find out what they feel confident doing in the accounting world.

Several students answered the question: “If you’re currently job hunting, what challenges have you faced or are you facing?” by sharing their experiences while still in school. Some reported that there is either a lack of internships, no part-time paid positions available, or that the jobs posted require at least a year of experience.

## HOW COMPANIES CAN MAKE THE PROCESS BETTER

Multiple students have had trouble applying to a job post-graduation, whether that’s due to personality tests or response times.

One student said, “Sometimes I will apply for a job and get an email two months later asking to interview or telling me they are not moving forward with my application. After two months, I forgot that I even applied for the position.”

Anthony said that it would be helpful for companies to divulge as much information as possible about the company and position during the application process.

“Sometimes students don’t have the time to sit and read about the company when blasting out résumés,” Anthony said. “Who knows how many great opportunities I passed up because the company wasn’t enticing enough?”

Once graduates apply, interview, accept the job, and sit at their desks on the first day, they still have fears about their future at that company.

Multiple students reported that they are worried about the competitiveness due to the work culture or the culture at a Big 4 firm.

## MORE HELP FOR YOUR CAPACITY CHALLENGES

We hear you. On every survey, you tell us issues surrounding finding and retaining talent are keeping you up at night. Here’s how we can help:

- We’re devoting the full power of our Board of Directors on this issue. Addressing the capacity challenge is one of the VSCPA’s top three priorities for the year, and a special Board task force will be discussing solutions.
- Visit our new resource center at <https://www.vscpa.com/capacity> where you can download the whitepaper from our student survey, our upcoming Future of Work report, and more.
- You can find remote talent, post job openings, résumé services, and more at [vscpa.com](https://www.vscpa.com) under “Career Resources.”

Another student would like to see a “buddy program” implemented after the repercussions of the pandemic. “I think having a support system at work, especially since the pandemic, is important and should be implemented for all new employees. I know some companies have a buddy system where you get partnered with someone at a similar level as you, a manager, and a partner — all to help you succeed in any and all career goals.”

June and Danielle both would like for companies to offer help with the CPA Exam and an advancement program to enhance their positions at the company.

Although students have faced problems while trying to get jobs with applications, lack of descriptions, and lack of remote work, one thing is for sure: More than 70% of students that filled out the survey are looking for full-time employment.

Are companies ready to give them what they want? ■

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*Tori Smith is the VSCPA 2022 summer communications intern. She is a journalism student at Ball State University in Muncie, Ind. Contact her at [tsmith@vscpa.com](mailto:tsmith@vscpa.com).*

# THE *business* CASE FOR ESG REPORTING

With social and regulatory momentum building behind environmental, social and governance (ESG) reporting, business leaders and their advisors should make meaningful ESG practices an immediate priority.

By Carolyn Tang Kmet



*Environmental, social and governance* — more commonly known as ESG — reporting is having a moment. As investors, employees, supply chain partners and stakeholders of all stripes turn to ESG reporting to inform key business decisions, business leaders and their advisors are struggling to establish and prioritize ESG efforts. The challenge is that while ESG reporting becomes increasingly popular and valuable, the lack of formal regulations and standards stymies leaders looking to make meaningful changes to how they do business.

Part of the problem is that ESG reporting examines a wide variety of factors, both tangible and intangible. Put simply, ESG reporting is an examination of an entity's involvement in environmental, social and governance issues. Environmental factors could include an organization's impact on climate change, natural resource scarcity, pollution and waste. Social factors commonly explore an organization's values and practices around issues such as labor and supply chain standards; diversity, equity, and inclusion efforts; and customer privacy. Governance factors often delve into issues like oversight and management structures, diversity within the board of directors, executive compensation and crisis response. While some issues like diversity within the board may be easier to quantify, other factors like sustainable supply chain measures or the effectiveness of oversight aren't immediately apparent in financial statements — yet the appeal and influence of these standards are undeniable.

"Investors, executives, and consumers increasingly understand that a company's value is largely intangible and consists of more than just assets and products," says Marcy Twete, CEO and founder of ESG consultancy firm Marcy Twete Consulting. "How a company interacts with its stakeholders, community, and the planet is a value driver that directly impacts its bottom line."

## THE BOTTOM LINE FOR ESG

The pandemic is an active example of how ESG factors impact the bottom line. Organizations with solid lines of support for employees, nimble business operations that were able to pivot to serve rapidly changing needs, and adaptable strategies for successfully navigating uncertain times were more likely to survive — or even thrive — during the pandemic.

Mary Adams, founder of Boston-based Smarter Companies, believes that the pandemic's impact on ESG investment activities proves that ESG is more than just a passing fad.

"If it was a fad, then everyone would drop it in a crisis," Adams says. "What happened during the pandemic is that companies that had the trust and confidence of their employees and customers performed better through the disruption. We know there's a link between ESG and a company's performance. It may not be easy to pin down, but there's definitely a connection."

Even if we can't see the impact of ESG on the bottom line, we can definitely see it in the flow of investment dollars. According to Moody's Investors Service, investments in ESG products increased 140% in 2020. Similarly, Morningstar reported that ESG-rated funds took in \$51.1 billion in new investments in the same year.

Chirag Shah is chairman of Simfoni, a company focused on leveraging spend analytics to help companies achieve supply chain sustainability. In July 2021, he successfully raised \$15 million in Series B funding. "ESG goals are a moral and ethical necessity. As responsible corporate citizens, it's our duty to take care of the future of our society," he says.

Shah believes that product and technology innovations have progressed to the point where companies are able to achieve both ESG goals and business benefits. He says that raising the bar on ESG efforts not only mitigates risks but improves corporate performance.

"Focusing on ESG can reduce unnecessary costs," Shah says. "Additionally, with social media enabling customers to have more of a collective voice, it's evident that making responsible choices can result in higher brand value. Corporations that make a positive impact can increase their appeal to existing and potential customers and attract new market opportunities."

Corinne Dougherty, audit partner with IMPACT, KPMG's sustainability program, and a member of the American Institute of CPAs (AICPA) Sustainability Assurance and Advisory Task Force, agrees that there are measurable business benefits: "Implementing an ESG strategy and reporting on progress will help companies unlock new value, build resilience, ►



and drive profitable and measurable growth today and in the future.”

Dougherty adds that ESG reporting further benefits the bottom line by helping business leaders understand and address emerging risks that threaten profitability; attracting a new investor base while meeting the ever-changing and increasingly stringent requirements of institutional investors; gaining access to capital; competing for top talent; and building a loyal customer base.

### THE MOMENTUM BEHIND ESG

The motivation to implement ESG practices is driven by both external and internal factors. Externally, investors, customers, and regulators are calling for increasingly rigorous and sophisticated ESG reporting to help inform investment decisions and to hedge systemic risks in their portfolios.

“There’s no way you can hedge against climate change, right? You have to start advocating for a systemic solution,” Adams explains. “Additionally, during a time of great disruption, we often see exciting and innovative solutions, so that could be driving external interest in ESG efforts as well.”

According to a November 2020 report issued by the Forum for Sustainable and Responsible Investment, 33% of total U.S. assets under professional management are using sustainable investment strategies. By their count, those assets grew from \$12 trillion at the start of 2018 to \$17.1 trillion at the start of 2020 — an increase of 42%.

But there are also internal pressures driving companies to implement ESG best practices. “In both public and private companies, employees are demanding better supply chains, carbon footprints and labor practices, leading companies to prioritize their ESG efforts,” Adams says.

Bryan English is the CFO of Elkay, a global manufacturer headquartered in Downers Grove, Ill. He says the momentum toward ESG practices goes further than the financial or branding concerns, with much of it driven by societal expectations and the innate need to “do the right thing.”

“Today’s consumers and workforce, who are really one and the same, expect companies to do right by

their employees and their customers, to do good within their communities, to be good stewards of the planet, to be good corporate citizens, and to be a company with a purpose,” English says. “Because these expectations drive buying behaviors and affect whether you’re an employer who can attract top talent, they’re at the heart of why ESG is becoming such a critical focus area for companies today.”

### THE REGULATORY VACUUM

Currently, ESG disclosure is a voluntary best practice, though the U.S. Securities and Exchange Commission (SEC) is signaling that more formal guidance may be coming soon. In March 2021, the SEC announced the creation of a climate and ESG task force in the Division of Enforcement that will develop initiatives to proactively identify ESG-related misconduct. Their initial focus will be identifying any material gaps or misstatements in climate risk disclosures.

And in April 2021, the SEC’s Division of Examinations issued a risk alert, noting deficiencies and internal control weaknesses within investment funds that purported to be engaged in ESG investing. The seven-page alert included examples such as portfolio management practices that were “inconsistent with disclosures about ESG approaches,” controls that were “inadequate to maintain, monitor and update clients’ ESG-related investing guidelines, mandates and restrictions,” and proxy voting that “may have been inconsistent with advisors’ stated approaches.”

“Regulators have certainly increased their ESG scrutiny,” acknowledges Kristie Paskvan, CPA, MBA, board director of Smith Bucklin, NCCI, First Women’s Bank and the United Way Metropolitan Chicago. “In the United States, we expect rules will be implemented that require banks to account for the sustainability impact of their lending and investment policies. Therefore, all banks have this on their radar and are moving at various speeds to implement policies and procedures.”

Twete says there’s a natural tension between wanting to emphasize materiality and wanting to achieve standardization. “As readers of sustainability reports or ratings, we want to be able to easily compare Apple to Exxon, Macy’s to McDonalds — even though their business models and material issues are different,” she explains. “That kind of standardization is not only difficult, but it can also be a slippery slope. But while

no system will be perfectly ‘one-size-fits-all,’ there’s hope for a more streamlined measurement framework for companies.”

English believes that we’re starting to see some standardization among ESG models that work best for businesses, though he’s still hesitant about the possibility of the level of standardization associated with traditional financial reports. “There are too many variances between businesses and their impact on consumers, society at large, the planet, their own people, and the communities where they do business. When you standardize a reporting model, you leave out room for all the nuance — the good, the bad and the ugly — that’s at the heart of why consumers care about ESG reporting in the first place,” English says.

STARTING YOUR ESG JOURNEY

Even without across-the-board standardization, English believes ESG reporting should be undertaken because it’s a powerful way to express corporate social responsibility. “ESG reporting backs up storytelling with data and facts, which adds credibility and helps distinguish those who are doing the work and making a real difference,” he says.

While each company’s ESG journey is unique, the process of implementation is similar across all industries. Here are Dougherty’s four steps to start your own journey:

- 1. **Develop an ESG strategy.** Understand and anticipate stakeholder expectations by identifying issues and assessing gaps, risks and opportunities to integrate ESG into your business strategy.
- 2. **Operationalize the strategy.** Embed strategy into operations by understanding the implications for the workforce, supply chain, operations, controls, technology, infrastructure and governance and managing the controls around collecting and processing data to track progress.
- 3. **Measure, report and assure.** Understand the different standards, frameworks and metrics for reporting ESG data, develop capabilities to measure the ROI of ESG initiatives, and provide accurate and fit-for-purpose disclosures and reporting.

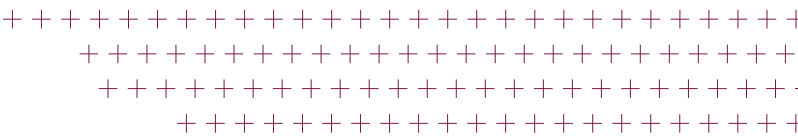
4. **Transform with ESG.** Growing with ESG in mind requires a new approach to transactions, strategies and partnerships. All these events create risks and opportunities for ESG strategy. Understanding those implications and developing processes to evaluate them during the transaction life cycle can future-proof your ESG approach.

Twete suggests that an initial step toward ESG reporting might be to conduct a materiality study to understand the risks and impact of ESG issues within your own company. “Consider which issues have the potential to negatively or positively impact your business. What do your stakeholders expect of you? From there, you can assess these key material ESG issues with your existing risk management process.”

She emphasizes that companies need to address ESG issues with the same rigor they apply to operational or financial risk — and remember that ESG cannot succeed in a silo. These efforts will reach across and transform every aspect of an organization.

With increased regulatory and social attention on ESG issues, now is the time to identify, prioritize and act on ESG measures that can improve your organization’s reputation and resilience — while also making the world a noticeably better place. ■

Carolyn Tang Kmet, MBA, is a senior lecturer at the Quinlan School of Business at Loyola University Chicago. This article is reprinted courtesy of Insight, the magazine of the Illinois CPA Society. Read more at [www.icpas.org/insight](http://www.icpas.org/insight).



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Tamara Greear, CPA, MSA  
Joshua Keene, CPA  
Nicholas Kinsler, CPA  
Daniel Martin, CPA  
Michael Phillips, CPA, MBA  
Veronica Smith-Christian, CPA, CGF  
Charles Valadez, CPA, CIA, GCMA  
Natalya Yashina, CPA

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Cynthia Chow, CPA  
William Edmunds Jr., CPA  
Lauren Figg, CPA  
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Tracy Hancock, CPA  
Jordan Hartman, CPA  
Dylan Hendrickson, CPA  
Ryan Kirtner, CPA  
Andrew Lampropoulos, CPA  
Katelyn Lydens, CPA, MACIS  
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Vivian J. Paige, CPA, MBA, CGMA  
Lorilei Roberts, CPA, CGMA  
Laura Seal, CPA  
Catherine Stemple, CPA  
Kristofer Thomas, CPA  
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Melisa Galasso, CPA  
Genevieve Hancock, CPA  
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Richard Marhula  
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Tracy Hancock, CPA  
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Milly Ikundi, CPA  
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Kevin Matthews, CPA, MST, MBA  
Peter Minutolo, CPA  
Brandon Pope, CPA  
Melanie Randall, CPA  
John Reynolds, CPA  
Neena Shukla, CFE, CGMA, FCPA  
Yoland Sinclair, CPA  
Randall Spurrier, CPA, CGMA  
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John Waters, CPA  
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Carman Faison, CPA  
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Eric Martin  
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Kirstine Connors, CPA, ABV, CVA  
Ethan Hitchcock, CPA, ABV, ASA  
Cheryl Hyder, CPA, CFF, MT, CFE  
Harold Martin Jr., CPA, ABV/CFF  
Holly Martin, CPA, ABV  
Gregory Saunders, CPA, ABV, ASA  
Harry Schwarz, CPA, ABV/CFF  
Joseph Thornton, CPA, ABV, CFF

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Brad Bailey, CPA, MT, ABV,  
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William Edmunds Jr., CPA  
Susan Enis, CPA,  
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Denise Harding, CPA, CFE, CFF  
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Angela Kerns, CPA, HCCP  
Nammy Lee, CPA, Ph.D.  
Gabriele Lingenfelter, CPA, MBA  
Katelyn Lydens, CPA, MACIS  
Krystal McCants, CPA  
Carey Miller, CPA, CFF  
Bryan Newlin, CPA, CISA, CITP  
Carlos Alberto Otal, CPA  
Elizabeth Owusuwaa, CPA  
Brandon Pope, CPA  
Melanie Randall, CPA  
Yoland Sinclair, CPA  
William Stefan Jr., CPA, CDFM  
Laura Tate-Smith, CPA, CGMA  
Aditya Yerramilli, CPA

*Note: Every attempt was made to review this list for accuracy. If we forgot your name, we're sorry! Please email [disclosures@vscpa.com](mailto:disclosures@vscpa.com) and we will be sure to correct it.*



Tori Smith

## MEET THE 2022-2023 BOARD CHAIR

# How George Forsythe, CPA, found his path in the accounting world

*Custom mattress-maker*, vitamin packer, hiker and morel-mushroom fanatic are all titles previously held by George Forsythe, CPA.

As a child, George took note of his mother's work at a small vitamin and supplement business. She handled packaging, mailing and invoicing at the company. George noted the aspects of accounting in her job as he worked alongside her.

He took two accounting classes in high school and continued his accounting education by majoring in business administration with a focus in accounting at Mary Washington College in Fredericksburg. As a freshman, George mapped out his educational timeline so he would be prepared to take the CPA Exam right out of school.

George passed three parts but didn't pass the law section.

"Back then, you either failed with a 69 or passed with a 75," George said. "Mine was rounded down to a 69. I took the law section another time and passed it."

He credits passing the Exam not due to studying, but to someone else's shared knowledge: Joe Ben Hoyle, associate professor of accounting at the University of Richmond.

"Joe Ben Hoyle got so many people to pass the Exam," George said. "I would argue it was more his knowledge than my own skill."

George took a job at WellsColeman in Richmond his last semester of college. He took an exam to become an FBI agent, following his original plan for his accounting path.

"It wasn't meant to be — I took the entrance exam and didn't meet all the criteria," George said. At the accounting firm, he thought, "I really like what I do and where I am, so I'm going to see this through." It was my first job out of college, and I've been here 27 years."

When he was first hired, George was able to get his accounting job registered as a three-credit hour internship through his college. Because his time there was turned into an internship, George changed all his classes to nighttime so he could work at the firm during the day due to tax season. He would travel back and forth from Richmond to Fredericksburg every night to continue both his education and his job at WellsColeman.

Now, decades later, he's managing partner at the firm and loves working with small businesses.

As chair of the VSCPA Board of Directors this year, George has three main initiatives he wants to promote: rolling conformity, firm capacity issues and member engagement.

Getting rolling conformity passed in Virginia is a huge priority, he said.

"We have a well-thought-out campaign that includes a grassroots effort that reaches out to members and engages their support and physical time. As we get to session in 2023, it's going to the Richmond Capitol and meeting with legislators to convince them why rolling conformity is good for everyone."

George said one of his first action plans is to hold Management of an Accounting Practice (MAP) roundtables to brainstorm solutions for rolling conformity.

George also wants to address the capacity and pipeline issues in the accounting world. Firms don't have the support they need, and he wants to make it a priority.

"Baby boomers are exiting the profession and you have young professionals choosing careers like computer science or data analytics. COVID-19 has spun it up a little faster. People are choosing careers other than accounting. We're becoming even more compressed."

"We need to engage members to help solve this, because there isn't one silver bullet," George said.



*George summited Mount Kilimanjaro in 2017.*

Finally, he wants to engage with members and the community to work on solving these two initiatives.

George encourages high schoolers who are interested in joining the accounting profession to undergo exploration other than internships.

"A lot of firms offer internships; however, those are just as important as job shadows. To reach out to firms and say: 'To no cost to you, can I come on site and just observe?'" George said. "One of the big challenges

with internships is they can only allot so many people. If we add in week-long job shadows, we'd get more people exposed to what we do."

George considers high schoolers a "gold mine of talent" that is overlooked.

"They'd typically work in food service, and that is necessary and has value. I would find that they'd get a more diverse experience at the CPA firm," George said.

When George isn't spreading awareness in the accounting community or working with one of his clients, he enjoys spending his time outdoors. But he still finds a way to share his joy of the outdoors with his accounting clients.

George was hiking with his best friend, co-founder of a triennial hiking group, from one rim of the Grand Canyon to the other. The pair won a lottery to stay at a small cabin in the bottom of the canyon — Phantom Ranch. While hiking up the second side of the canyon, they had a thought.

"We felt like it was killing us at the time," George said. "We were discussing, 'Well, what should we do next?'" The answer? An even bigger challenge.

In 2017, he took seven of clients for a hike in Africa, and summited Mount Kilimanjaro. Every two or three years, the group hikes somewhere that they've never been. In 2021, the group visited Mount Rainier near Seattle. This year, they're planning on the Banff Mountains in Canada.

"We have a real long list of places to go," George said. "Our bucket list includes hiking to Everest basecamp and hiking in Iceland. We have a diverse group, but the commonality of everyone is that they're clients at our firm."

Although George does still hold many titles: fly-fishing enthusiast, lifeguard and Washington Post paper boy, he can now add one more title to his long list: chair of the VSCPA Board of Directors. ■

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*Tori Smith is the VSCPA 2022 summer communications intern. She is a journalism student at Ball State University in Muncie, Ind. Contact her at [tsmith@vscpa.com](mailto:tsmith@vscpa.com).*



## Congrats to members' *regulatory* appointments



**Pictured left to right:**  
David Cotton, CPA, CFE, CGFM, Barclay Bradshaw, CPA, CGMA, Stephanie Saunders, CPA, Nadia Rogers, CPA, Clare Levison, CPA

Four VSCPA members have been appointed to leadership positions to help regulate the accounting profession. **David Cotton, CPA, CFE, CGFM**, chair of Cotton & Company, LLP, in Alexandria, was appointed by Gov. Glenn Youngkin to a four-year term on the Virginia Board of Accountancy (VBOA). He replaces VSCPA member **Barclay Bradshaw, CPA, CGMA**, who is rolling off after two non-consecutive four-year terms.

**Stephanie Saunders, CPA**, a former VSCPA Board chair and former chair of the Virginia Board of Accountancy, has been nominated vice chair of the 2022–2023 National Association of State Boards of Accountancy (NASBA). She was previously a director-at-large for NASBA and is a shareholder at Saunders & Saunders in Virginia Beach.

**Nadia Rogers, CPA**, an accounting professor at Virginia Tech in Blacksburg, has been appointed to the CPA Exam Board of Examiners. She is currently the educator member of the VBOA and sits on NASBA's Education Committee.

**Clare Levison, CPA**, owner of Inspired Responsibility in Blacksburg and VSCPA ethics course author and speaker, was appointed to the AICPA Professional Ethics Executive Committee (PEEC).

## Annual meeting report

Members conducted official society business at the VSCPA's annual meeting at the VSCPA Learning & Innovation Center on May 12. Outgoing Chair of the Board Anne Hagen, CPA, CGMA, was recognized for her outstanding leadership over the past year, and new leadership was installed:

### BOARD OF DIRECTORS

**CHAIR: George Forsythe, CPA, CGMA**

**CHAIR-ELECT: Jennifer Lehman, CPA, CGMA**

See the full board roster at <http://www.vscpa.com/board>.

VSCPA volunteers were also recognized, including the Political Action Committee

Board of Trustees and the Educational Foundation Board of Directors. **Brett Sinsabaugh, CPA, CCA**, will serve as chair of the PAC Board.

As a result of a comprehensive governance review last year, the VSCPA Board of Directors will now also serve as the Foundation Board. The student pipeline continues to be a major focus for the VSCPA. With comprehensive oversight

of the area, the Board's goal is to increase the impact and effectiveness of programs and services. The Foundation's focus on annually delivering more than \$50,000 in scholarships will remain intact. Visit <http://www.vscpa.com/governance> for volunteer rosters and more information on VSCPA governance.

# Congratulations to the following *members!*



**Pictured clockwise:** William Bane, CPA, Dian Calderone, CPA, Harold Martin Jr., CPA, Melisa Galasso, CPA

## NEW HIRES

**William Bane, CPA**, joined the ABNB Federal Credit Union in Chesapeake as the vice president of internal audit.

**R. Logan Elliott, CPA**, has joined the audit staff of Kimble in Richmond.

## PROMOTIONS

**Ashton Butler, CPA**, was promoted to senior vice president at TowneBank in Suffolk.

## APPOINTMENTS & AWARDS

**David Bush, CPA, CFP, PFS**, partner at PBMares in Williamsburg, and **Dian Calderone, CPA**, CEO of Calderone Abbott PC in Newport News, were named to the Williamsburg Community Foundation Board of Trustees.

**Michael Chalkias, CPA**, finance director for the Waterworks division of Ferguson Enterprises in Virginia Beach, and **Amanda Rose, CPA**, vice president of finance/CFO of An Achievable Dream, Inc., in Newport News, are part of the 2022 executive class of the CIVIC Leadership Institute.

**Melisa Galasso, CPA**, CEO of Galasso Learning Solutions in Charlotte, N.C., was named to the list of 2021 Top 50 Women in Accounting, supported by Ignition.

**Harold Martin Jr., CPA, ABV/CFF**, partner-in-charge of valuation and forensic services at Keiter in Glen Allen and adjunct professor at the College of William & Mary, was elected to the William & Mary Alumni Association Board of Directors.

Life member **Johnny Redd, CPA**, a sole proprietor from Mechanicsville, was named to the Hanover County School Board. He previously served on the same board from 1980–1984.

**Gregory Saunders, CPA, ABV**, senior manager in the valuation and forensic services practice of Keiter in Glen Allen, was appointed to the American Institute of CPAs Business Valuations Committee.

**Matthew Smith, CPA, CCIFP**, principal at Yount, Hyde & Barbour in Winchester, was named one of the Construction Financial Management Association's 2022 rising stars.

## FIRM NEWS

June 1, the merger became official between Charlotte, N.C.-based **DHG**, the fifth-largest accounting firm in Virginia with offices in 13 states, and **BKD CPAs & Advisors** from Springfield, Mo. The new firm is now known as **FORVIS** — a combination of the words 'forward' and 'vision,' and is a top 10 accounting firm.

Winchester-based **Yount, Hyde & Barbour** (YHB) has acquired Maryland-based **Glass Jacobson PA**, bringing YHB's office total to 11.



# Congrats to the VSCPA's newest Virginia CPA licensees

**Lisa Anton, CPA**, Tysons

**Colin Bartlett, CPA**, Falls Church

**Timothy Boniface, CPA**, Arlington

**Mattson Bueche, CPA**, Chesterfield

**Justin Collins, CPA**, Midlothian

**Lawrence Crews, CPA**, Fredericksburg

**Nancy Davenport, CPA**, Sykesville, Md.

**Paul Gaiser, CPA**, Alexandria

**Pankaj Galhotra, CPA**, Brambleton

**Ana Gonzalez Dunn, CPA**, Richmond

**Ryan Groves, CPA**, McLean

**William Hampton, CPA**, Nicholasville, Ky.

**Michael James, CPA**, Williamsburg

**John Keating, CPA**, Annandale

**Madison Kloster, CPA**, McLean

**Preeti Krzystofik, CPA**, Silver Spring

**Jennie Ledesma, CPA**, McLean

**Michaela McNickle, CPA**, Winchester

**Michael Miano, CPA**, Arlington

**Benjamin Mohlenhoff, CPA**, Forest

**Erin O'Loughlin, CPA**, McLean

**Darby Petersen, CPA**, Winchester

**Stephen Phillips, CPA**, Arlington

**Shannon Ramsey, CPA**, Richmond

**Randall Rynberk, CPA**, Harpers Ferry, W.Va.

**James Sanders, CPA**, Arlington

**Anton Shoetan, CPA**, McLean

*List from Feb. 1, 2022, through*

*April 30, 2022.*

## IN MEMORIAM

**David Cheatham, CPA**, 59, from Midlothian. A graduate of James Madison University, David began his career at Gary, Stosch, Walls & Company and ultimately opened his own practice. In 1989, he partnered with other CPAs to form Adams, Jenkins & Cheatham, where he remained until his death. At the VSCPA, he reached out to students to promote the CPA profession.

**Jerry Holleman, CPA**, 71, from Surry. A University of Virginia graduate, Jerry opened his own practice in Richmond before joining the College of William & Mary as tax director, where he ended his career. Jerry volunteered for Caritas and helped build homes after Hurricane Katrina. At the VSCPA, he served on the Tax Conference Planning Committee.

**Elizabeth Holtzclaw, CPA**, 83, a retired sole proprietor from Arlington.

**John Inman, CPA**, 91, a Life member from Richmond. After serving in the U.S. Navy, John received his degrees from VCU and the University of Richmond. He was a partner at McGladrey & Pullen and concluded his career at the Capital Region Airport Commission. He was a long-time member of the Joppa Lodge No. 40 and the Richmond Scottish Rite Bodies, former chair of the City of Richmond Audit Committee, and a member of the Masonic Home of Virginia Board of Governors. After sitting on a variety of VSCPA committees, he was president of the VSCPA Board of Directors from 1980–1981.

**Tom Mishoe, CPA**, 69, from Midlothian. He received degrees from Hampden-Sydney College and Virginia Tech and was founder and president of FinOpStrat Advisers, LLC. At the VSCPA, he sat on the Business & Industry Member Task Force and the Speakers Bureau and enjoyed writing articles. You can read his last article for Disclosures on expanding your CPA practice at <https://www.vscpa.com/expand-now-what>.

**Howard Weaver, CPA**, 88, a Life member from Dublin. After graduating from National Business College, Howard ran his own practice for more than 50 years in Dublin. He was also a lifetime member of the American Institute of CPAs, the Dublin Lions Club, and the Dublin United Methodist Church.



# Staff news

## ANNIVERSARIES

July 7: **Amanda Arnold**, marketing specialist, 7 years

July 14: **Beth Bickford, CPA, CGMA**, vice president, finance and administration, 13 years

July 26: **Molly Wash**, academic & diversity outreach director, 18 years

Aug. 10: **Laura Cobb, CAE**, leadership & innovation director, 10 years

Aug. 13: **Rocio Gibbs**, member services coordinator, 24 years

Sept. 9: **Jill Edmonds**, communications director, 3 years

Sept. 22: **Jane Hayes**, peer review coordinator, 19 years

## NEW HIRES

**Brandon Flanery** has joined the VSCPA as membership marketing specialist. Welcome, Brandon!



Laura Cobb, CAE,  
Celebrating 10 years

## NEED TO HOST AN EVENT OR MEETING?

With the explosion of virtual events, many businesses are discovering they need to host online but don't have the time or money to invest in reliable technology. The VSCPA can help! Through EventBlast, our full-service event consulting and delivery solution, you can get help with simple online meetings or more complex virtual conferences.

Looking for an event space? Host up to 100 people in person at our state-of-the-art Learning & Innovation Center in Glen Allen, Va. With a modern and professional setting, this space is equipped to host seminars, meetings, receptions and more. Let us help bring your event vision to life — whether in person or online.

Visit [vscpa.com/Center](https://vscpa.com/Center) to learn more.



# Crafting a CPA *career*

Duke-Harris scholarship winner sets sights on building a business.



*During fourth grade*, Chesterfield native Indacia Turner stored business cards in the pocket of her backpack. They read “Indacia Turner’s Arts and Crafts,” and featured her name, email and phone number. She created keychains, duct-tape wallets, pens, and even sold crocheted items.

Indacia is setting down her crochet hooks and pursuing the business profession by earning a bachelor’s degree in accounting at Virginia State University in Richmond. This May, Indacia was awarded the inaugural Curtis C. Duke and Dr. Ruth Coles Harris Scholarship from the VSCPA Educational Foundation (see all scholarship winners opposite).

The VSCPA launched the Duke-Harris scholarship in 2021, the year of the Black CPA centennial. Curtis C. Duke and Dr. Ruth Coles Harris were the first Black CPAs in Virginia. The \$2,000 award aims to encourage and support underrepresented students aspiring to be a part of the CPA profession.

Although Indacia has her heart set on the CPA pathway now, it wasn’t her first plan. COVID-19 shook up the idea of her future. She talked to a school counselor to discuss possible career paths.

“I told the counselor I like math and money; then she gave me a list of careers I should look into,” said Indacia. After that, she decided to do some of her own research surrounding different business professions.

“I was looking into business, and it was way too general. I knew I wanted something that’s more focused. These skills are transferable, and I can use them if I have my own company,” said Indacia.

In fact, one of Indacia’s plans for her future is to own her own company.

“I want to mentor people that might be in the same position as me,” said Indacia. “This life is hard, and I’d love to pass on what I’ve learned to someone that looks like me.”

Before she starts her own business, though, she plans to sit for the CPA Exam during her senior year, and then eventually earning her MBA and doctoral degrees.

Indacia applied for the VSCPA scholarship because she is aspiring to be a CPA.

“VSCPA can invest in me now and then they’ll see that return later,” she said.

When Indacia isn’t tackling homework or working as a budget assistant, you can find her reading, enjoying YouTube videos, or planning her next outfit. At Virginia State, she is involved in the NAACP and the student body board for the School of Business, as well as the dance, theater and band programs.

“I’m really looking forward to building my network and meeting more people; thank you to the VSCPA for the scholarship,” said Indacia.

Indacia’s advice to high schoolers who are applying to college relates to her excitement about networking.

“Even if you go to school undecided, network, meet people and build relationships with your professors. You’ll still get something out of it that will elevate you as a person,” said Indacia.

Indacia said she is just getting started in her CPA journey; this is just the beginning of everything she has planned.

INCREMENTAL MATURITY BY NITIN BHOURAJ, CPA, CFE



Hell’s auditors

# VSCPA *Educational* Foundation awards \$59,250 in scholarships

The Educational Foundation has awarded 28 scholarships to accomplished and deserving accounting students around the Commonwealth! Thank you to everyone who donated. Your contributions help protect the pipeline of the CPA profession and provide a lifeline for many students to pursue accounting careers. Visit <https://www.vscpa.com/ef-donation> today to contribute to next year's winners.

## **VSCPA's Past President's/Chair Scholarship (\$2,000)**

Youjin Lee, University of Virginia

## **VSCPA Minority Scholarship (\$1500-2,000)**

Trinity Burton, Virginia State University  
Simranjeet Kaur, Virginia Commonwealth University  
Rebecca Le, Christopher Newport University  
Stephen Nkrumah, George Mason University  
Darrell Pacheco, University of Virginia Darden School of Business  
Nigel Stewart, Virginia State University  
Ryan VanHorn, Old Dominion University

## **VSCPA Undergraduate Scholarship (\$1,500)**

Angela Blair, Liberty University  
Kristen Hoberg, Old Dominion University  
Olivia Tillett, Virginia Tech

## **Curtis C. Duke and Dr. Ruth Coles Harris Scholarship (\$2,000)**

Indacia Turner, Virginia State University

## **CST Group Scholarship (\$3,000)**

Alina Ponomarenko, George Mason University

## **DHG Scholarship (two awards at \$2,500 each)**

Madeline Duggan, Virginia Tech  
Julia Warshauer, Virginia Tech

## **H. Burton Bates Jr. Scholarship (\$2,250)**

Jordan King, Radford University

## **Michael E. Mares Scholarship (two awards at \$2,250 each)**

Amanda Baker, Old Dominion University  
Justin Seymore, Virginia Tech

## **MJW Scholarship (two awards at \$2,500 each)**

Natalie Nguyen, George Mason University  
Mariam Farzayee, Virginia Tech

## **Samuel A. Derieux, CPA, Memorial Scholarship (\$1,500)**

Carla Quinteros, Virginia Commonwealth University

## **Thomas M. Berry Jr. Scholarship (three awards at \$2,000 each)**

Nebiyat Endale, George Mason University  
Hector Luna, Virginia Commonwealth University  
Esayas Temesgen, Virginia Commonwealth University

## **Verus Financial Partner Scholarship (\$3,000)**

Ainsley Duff, Virginia Tech

## **Virginia Tech Doctoral Scholarship (\$3,000)**

Karneisha Wolfe, Virginia Tech

## **WEC Scholarship (\$3,000)**

Ethan Paitsel, Roanoke College

## **YHB Scholarship (\$3,000)**

Jeffrey Kum, Virginia Commonwealth University





# Ashutosh Gokhale, CPA, MBA, on leading with *humility*

## One VSCPA member's career journey

By Mike DellaRipa, CPA, MBA

VSCPA member Ashutosh Gokhale, CPA, MBA, is the chief financial officer of HII's Mission Technologies division. Ashutosh was born in India to parents who taught him the importance of good education and humility, the stepladder to success. His father is a retired professor with three doctorates, and his mother is a retired schoolteacher with two master's degrees. Ashutosh went on to attain a bachelor's degree in mechanical engineering in India.

After graduation, Ashutosh worked as a production supervisor in a factory and then decided to pursue higher education in engineering. He came to the United States to attend Virginia Tech, where he earned a master's degree in mechanical engineering with specialization in thermodynamics and computer-aided design (CAD). After working for Verizon for five years, he felt compelled to continue "investing" in higher education and take the next "giant" step in education. He applied to and was accepted at the prestigious Darden Business School at the University of Virginia to pursue an MBA. Understanding the importance of CPA certification in the world of corporate finance, Ashutosh later passed the CPA Exam.

After obtaining his MBA, Ashutosh shifted his career focus on corporate finance in publicly traded corporations. After working for a few Fortune 500 companies, Ashutosh had a 14-year long career at Reston, Virginia-based Maximus, Inc., a leading provider of people, processes and advanced technologies to government agencies worldwide. At Maximus, Ashutosh started as director of pricing and took on many roles of increasing responsibilities. Along the way, he gained expertise in mergers and acquisitions by understanding all the unique strategic opportunities and complexities involved, including a keen understanding of merging information systems, cultures, management practices, and work processes. When leaving Maximus in 2021, he was senior vice president and division CFO of the Federal Services division, where he helped grow revenues from \$300 million to \$1.6 billion in six years, led four large acquisitions, and established a culture for process improvements.

In 2021, Ashutosh joined Fortune 500 HII as CFO for the Mission Technologies division. HII is a global engineering and defense technologies provider and is recognized as America's largest Navy shipbuilder. Mission Technologies develops integrated solutions that enable an all-domain force by offering capabilities in C5ISR, artificial intelligence and machine learning, unmanned systems,



and more. At Mission Technologies, Ashutosh is busy integrating the recently acquired Alion Science and Technology Corp. to achieve growth and synergy targets.

"Senior executives must set an example of doing business with ethics, integrity and equality," Ashutosh says. As a CFO of a publicly traded corporation, Ashutosh ensures that the finance and accounting practices in his company follow rules and regulations set by the SEC as well as federal procurement laws.

The "alpha male style of leadership" is a thing of past, and leaders must lead with humility, Ashutosh says. He believes that a dedicated team is an executive's best asset, and he credits his teams for many of his accomplishments. Ashutosh also emphasizes that he was fortunate in his career, having good mentors and adhering to the advice they gave him, a key to his success today. "Any professional's career will see ups and downs," he says. "Always trust the wisdom of your mentors."

Ashutosh and his wife reside in northern Virginia, instilling the importance of education in their two children. ■

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