

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Tuesday, October 20, 2009 in Board Room 2 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

MEMBERS PRESENT: O. Whitfield Broome, Ph.D., CPA, Chairman
Lawrence D. Samuel, CPA
Regina P. Brayboy, MPA, MBA
William E. Hunt, CPA

MEMBERS ABSENT: Stephen D. Holton, CPA
Tyrone E. Dickerson, CPA, Vice Chairman
Dian T. Calderone, MTX, CPA, Immediate Past Chairman

STAFF PRESENT: Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator

PRESENT FOR A PORTION OF THE MEETING: Jean Grant, Enforcement Manager
Yordanos Dumez, CPA Director of Compliance Services
Carla P. Blake, CPA, Compliance Manager, Sponsor Services

OTHERS PRESENT: Cynthia H. Norwood, Assistant Attorney General
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Amy Parker, Vice President, Virginia Society of Certified Public Accountants
Linda Newsom, CPE Program Director, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Broome called the meeting to order at 10:27 a.m.

SECURITY BRIEFING

After the declaration of a quorum, Ms. Gilliam provided the emergency evacuation procedures.

APPROVAL OF AGENDA

Upon a motion by Ms. Brayboy and duly seconded, the members voted unanimously to approve the October 20, 2009 agenda with amendments.

APPROVAL OF MEETING MINUTES

Upon a motion by Mr. Samuel and duly seconded, the members voted unanimously to approve the September 11, 2009 meeting minutes.

ACTION ITEMS

Mr. Jewell noted that there had not been any changes to the action items list from the previous month.

PUBLIC COMMENT

Members of the public were in attendance and asked to introduce themselves.

Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants (VSCPA) expressed concerns regarding the progress of the proposed regulatory revisions. Ms. Walker extended an offer to provide support if needed on behalf the VSCPA.

NASBA CPE PROGRAMS

Carla P. Blake, CPA, Compliance Manager, Sponsor Services, National Association of State Boards of Accountancy (NASBA) led the discussion regarding NASBA's National Registry of CPE Sponsors (Registry) and QAS Programs, with assistance from Yordanos Dumez, NASBA's Director of Compliance Services.

Ms. Blake and Ms. Dumez provided a comprehensive review of the Registry and QAS Program Review and Approval Processes. In addition, they provided information regarding other State Boards of Accountancy use of the various Registry and QAS programs. After considerable discussion and questions from the Board, Dr. Broome thanked Ms. Blake and Ms. Dumez for their presentation and indicated that the Board would engage in future discussion regarding the potential use of NASBA's Registry and QAS Programs.

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RECONVENE

BOARD MEMBER/COMMITTEE UPDATES

Mr. Samuel led the discussion regarding VBOA Frequently Asked Questions (FAQs). Mr. Samuel and Mr. Jewell have scheduled a meeting on Thursday, October 29, 2009 to continue preparation of the FAQs.

Mr. Hunt led the discussion regarding Peer Review. Upon completion of extensive research and an informative meeting with the VSCPA and the AICPA, the preliminary recommendation is to establish a Peer Review Oversight Committee (PROC). The VBOA PROC Committee would consist of approximately 1-3 members and report annually to the VBOA full board. Mr. Hunt will begin establishing the requirements for committee members.

Dr. Broome led the discussion regarding revised Uniform CPA Examination, i.e., "Computer Based Testing evolution" (CBT-e). New Content and Skill Specifications will go into effect January 1, 2011. The revisions to the exam were made based on responses to an AICPA practice analysis survey. The Colorado Board of Accountancy has objected to some of the Content and Skill Specification changes - in particular the inclusion of International Financial Reporting Standards (IFRS). Following a discussion,

members agreed that no formal response was needed at this time to Colorado's comments, or to the AICPA regarding the approved exam changes.

CBT-e changes to the exam structure are expected to significantly decrease the time required for grading the exam and as a result, scores will be released more quickly. The authoritative literature database has been updated and the cut and paste function has been improved. The revised tutorial and sample tests will be made available to exam candidates at www.cpa-exam.org to ensure familiarity with the new functionality.

Mr. Jewell suggested the Board should be communicating directly with the academic community in Virginia to ensure that all colleges and universities are aware of the changes to the exam beginning in January 2011. Dr. Broome agreed. Mr. Jewell will work with Dr. Broome to develop appropriate and timely communications.

EXECUTIVE DIRECTOR REPORT

Mr. Jewell notified the members that Mary Charity, the Licensing/Examinations Manager, is doing well and expected to return from maternity leave in November.

Mr. Jewell provided an update regarding VBOA My License Office (MLO) and eGov functionality. On October 8, 2009, VBOA staff provided an overview of system issues experienced internally and externally. An additional staff meeting has been scheduled for October 22, 2009. This meeting will be held to discuss and review the reports functionality of MLO. Following the comprehensive review of both systems, Mr. Jewell indicated that he would contact Systems Automation (SA) to discuss the issues and seek resolution. SA has not provided an update regarding the browser issues. Mr. Jewell will implement a NASBA Quick Poll to determine which state boards are utilizing this software package and report to the members at a later date. He also led the discussion regarding license types and the need for revisions to the category. Mr. Jewell suggested more discussion at a future meeting.

In addition, he advised that the members should review the current CPE policies and fines. In an effort to improve communication with the regulants, Mr. Jewell will forward an email notification reminding the licensees to complete the annual ethics requirement by December 31, 2009. He will also develop a notification that will be sent thirty days prior to expiration of licensure and a notification indicating the regulant will be required to reinstate following the 12-month expiration grace period.

The members were advised to notify Mr. Jewell if they have been requested to give a presentation. Mr. Jewell and Dreana Gilliam, the Board Administrator, will give a presentation for Student Night sponsored by the Richmond Chapter of the VSCPA on Tuesday, October 27, 2009.

A review and discussion of Board and internal policies and procedures will be held at a future meeting. Mr. Jewell also indicated that the VBOA financial statements had been completed, and he would be reviewing them prior to the next Board meeting. Pam Kamalakkannan will be invited to attend the November 17, 2009 Board meeting to answer any questions that may be asked regarding the financial statements.

REQUEST FOR BOARD CONSIDERATION

Dr. Broome led the discussion regarding the New Zealand Institute of Chartered Accountants request to enter into a mutual recognition agreement. At present, such agreements are in effect only with the Canadian Institute of Chartered Accountants (CICA), the Institute of Chartered Accountants in Australia

(ICAA), CPA Australia, the Instituto Mexicano De Contadores Publicos (IMCP), and Chartered Accountants in Ireland.

Upon a motion by Mr. Samuel, and duly seconded, the members approved by unanimous vote to enter into a five year mutual recognition agreement with the New Zealand Institute of Chartered Accountants.

ENFORCEMENT REPORT

Ms. Grant provided an overview of the case; the members reviewed the Board consent order, which included findings of fact, conclusions of law and recommended actions.

Board Order:

File Number 2008-U11 (Moss) (Dickerson & Holton)

BEGIN CLOSED MEETING

Upon a motion by Mr. Samuel, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately reconvene in closed meeting to discuss and consider a disciplinary matter relating to enforcement case 2008-U11 lawfully exempted from open meeting requirements within the jurisdiction of the VBOA as permitted by § 2.2-3711.A.27 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Cynthia H. Norwood, VBOA Legal Counsel, Jean Grant, Enforcement Manager, and Wade A. Jewell, Executive Director.

The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, and Ms. Brayboy.

END CLOSED MEETING

Upon a motion by Mr. Samuel, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, and Ms. Brayboy.

Upon a motion by Mr. Samuel, and duly seconded, the VBOA made the following certification by roll call vote:

WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this VBOA that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – Not Present/No Vote
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Not Present/No Vote
Stephen D. Holton, CPA – Not Present/No Vote
Regina P. Brayboy, MPA, MBA – Aye

William E. Hunt, CPA – Aye

VOTE

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: None

ABSENT DURING MEETING: Mr. Dickerson, Mr. Holton, and Ms. Calderone

The following actions were taken as a result of the closed meeting.

File Number 2008-U11 (Moss) (*Dickerson & Holton*)

In the matter of **File Number 2008-U11** (Moss), Mr. Moss was not present nor represented by counsel:

Upon a motion by Mr. Samuel, and duly seconded, the Board by unanimous vote accepted the recommendations of the presiding officer with an amendment to the monetary penalty. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

BEGIN CLOSED MEETING

Upon a motion by Mr. Samuel, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately reconvene in closed meeting to discuss and consider a personnel matter relating to the Board of Accountancy Staff, specifically to discuss the performance criteria of the Executive Director, a matter lawfully exempted from open meeting requirements within the jurisdiction of the VBOA as permitted by § 2.2-3711.(A)(1) of the *Code of Virginia*. The following non-member was in attendance to reasonably aid the consideration of the topic: Wade A. Jewell, Executive Director.

The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, and Ms. Brayboy.

END CLOSED MEETING

Upon a motion by Mr. Samuel, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, and Ms. Brayboy.

Upon a motion by Mr. Samuel, and duly seconded, the VBOA made the following certification by roll call vote:

WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this VBOA that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – Not Present/No Vote

O. Whitfield Broome, Ph.D., CPA – Aye

Lawrence D. Samuel, CPA – Aye

Tyrone E. Dickerson, CPA – Not Present/No Vote
Stephen D. Holton, CPA – Not Present/No Vote
Regina P. Brayboy, MPA, MBA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: None

ABSENT DURING MEETING: Mr. Dickerson, Mr. Holton, and Ms. Calderone

No actions were taken as a result of the closed meeting.

ADDITIONAL ITEMS FOR DISCUSSION

FUTURE MEETING DATES

Tuesday, November 17, 2009 – 10a.m.

Tuesday, December 15, 2009 – 10a.m.

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

Chairman Broome asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Ms. Brayboy and duly seconded, the meeting was adjourned by unanimous vote at 3:08 p.m. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

APPROVED:

O. Whitfield Broome, Ph.D., CPA, Chairman

COPY TESTE:

Wade A. Jewell, Executive Director