THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Wednesday, October 20, 2010, in Snead Hall, Room #B3189 of Virginia Commonwealth University School of Business, 301 W. Main Street, Richmond, Virginia 23220.

MEMBERS PRESENT:  Tyrone E. Dickerson, CPA, Chairman
                   Lawrence D. Samuel, CPA, Vice Chairman
                   O. Whitfield Broome, Ph.D., CPA, Immediate Past Chairman
                   Regina P. Brayboy, MPA, MBA
                   Dian T. Calderone, MTX, CPA
                   Stephen D. Holton, CPA
                   Andrea M. Kilmer, CPA, CFF

MEMBERS ABSENT:  None

STAFF PRESENT:  Wade A. Jewell, Executive Director
                Dreana L. Gilliam, Board Administrator
                Jean Grant, Enforcement Manager

STAFF PRESENT FOR A PORTION OF THE MEETING:  Mary Charity, Licensing & Examination Manager

OTHERS PRESENT:  Cynthia H. Norwood, Senior Assistant Attorney General
                  Joshua Leif, Senior Assistant Attorney General

PRESENT FOR A PORTION OF THE MEETING:  Stephanie Peters, CAE, CEO, Virginia Society of CPAs
                                             Emily Walker, Government Affairs Director, Virginia Society of CPAs
                                             Edward Grier, Dean, Virginia Commonwealth University - School of Business
                                             Edward N. Coffman, Virginia Commonwealth University - Accounting Department Chair
                                             Jim Holland, CPA, Virginia Commonwealth University - Accounting Professor

CALL TO ORDER

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

SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures.
DETERMINATION OF QUORUM/APPROVAL OF AGENDA

After the declaration of a quorum, upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the October 20, 2010 agenda with amendments. The members voting “AYE” were Ms. Brayboy, Dr. Broome, Ms. Calderone, Mr. Dickerson, Mr. Holton, Ms. Kilmer, and Mr. Samuel.

APPROVAL OF MEETING MINUTES

Upon a motion by Ms. Calderone and duly seconded, the members voted unanimously to approve the September 16, 2010 meeting minutes.

Chairman Dickerson welcomed the faculty, students, and staff of Virginia Commonwealth University School of Business (VCU) and opened the floor for brief comments. Professor Holland thanked the members for their service to the profession, thanked the students for their attendance, and for the opportunity to observe the board perform its duties. Dean Grier welcomed the members and provided a brief history of the business school’s namesake and the programs offered. In addition, he expressed that it was an honor for VCU to host the VBOA meeting. Dr. Coffman also expressed gratitude to the members for choosing VCU as the first university to host a VBOA meeting.

Mr. Dickerson thanked the VCU staff and asked the others in attendance to introduce themselves. Following the introductions, a brief overview of how the VBOA is composed and its mission, Mr. Dickerson opened the floor for public comment.

PUBLIC COMMENT

Ms. Peters introduced herself and provided an overview of the VSCPA responsibilities. Ms. Peters reported that she recently attended the AICPA Council Meeting. Several topics were discussed; however, over the next few months she would like to engage in discussion with the VBOA regarding tax preparer registration and private company financial reporting.

Ms. Walker introduced herself and provided a brief overview of her duties and responsibilities as the Government Affairs Director for the VSCPA.

Mr. Samuel provided an overview of the VBOA and its responsibility to the citizens of the Commonwealth. He advised that transparency is the cornerstone of the VBOA mission. Mr. Samuel explained the Code of Virginia requirements for meeting notices, conflict of interest, and the hearing of enforcement cases. Dr. Broome provided an overview of each VBOA committee and the responsibilities of each member.

BOARD MEMBER/COMMITTEE UPDATES

Ms. Calderone, as chair of the Communications Committee, provided the history of the committee. In addition, she provided a brief overview of the regulatory process for promulgating regulations and the Governor’s Reform Commission’s Simplification Committee and its duties. Ms. Calderone recently met with Senator John Miller of the Hampton Roads area. She also provided a summary of the Governor’s Reform Commission initial recommendations that were reported on October 15, 2010.

Ms. Calderone also provided a historical overview of how the VBOA became autonomous in 2001. The current administration is currently seeking to consolidate board’s and commissions in an effort to develop
a more effective and efficient state government. Ms. Calderone explained that it is in the best interest of the industry and the public for the VBOA to remain independent.

Mr. Samuel, as Board liaison of the Peer Review Oversight Committee (PROC), advised that the VBOA is charged with the oversight of the peer review process and has developed an approach to become more involved. A request for committee volunteers was posted on the VBOA website and six responses were received. Mr. Samuel requested member approval for a committee of three and one alternate. Mr. Samuel presented a list of candidates for consideration of appointment to the PROC: Samuel Johnson, CPA, as chair, Douglas Bowles, CPA, Nadia Rogers, CPA, and Paul Murman as the alternate.

Upon a motion by Mr. Samuel and duly seconded, the members voted unanimously to approve the appointment of Samuel Johnson as chair, Douglas Bowles, and Nadia Rogers as PROC members, and Paul Murman as the alternate for the PROC. Mr. Samuel will contact each individual to ensure their continued interest, acceptance, and commitment to the PROC.

Mr. Holton, as chair of the Regulatory/Legislative Committee, provided a historical overview of the process to revise the VBOA regulations. The statutes were amended effective July 1, 2007 and as a result, there was a disconnect between the statutes and the regulations. He explained that the goal of the revision was for the regulations to become comprehensive, evergreen, and easily understood. In addition, he provided an overview of the processes required by the Administrative Process Act to promulgate regulations. Mr. Holton is currently working to develop a document for inclusion in the FY11 Ethics Outline.

**EXECUTIVE DIRECTORS REPORT**

Mr. Jewell presented general updates regarding the VBOA.

- Mr. Jewell continues to attend the Governor’s Commission on Reform and Restructuring meetings. One topic of consideration within the Simplification and Operations Committee is the consolidation of ineffective boards and commissions. Any agency under consideration for consolidation or elimination will be notified. Mr. Jewell will continue to closely monitor activities and report to the VBOA members. The Full Commission is scheduled to meet in November and a second report will be issued in December. ABC privatization continues to be the current focus.

- Mr. Jewell advised the members that he recently began the recruitment process for a full-time board staff position. The Department of Human Resource Management (DHRM) will provide a list of potential candidates for review. Following the review, candidates will be contacted for interviews. Training for the Executive Assistant is on target and working well.

- Mr. Jewell met with a Systems Automation (SA) representative and discussed the Internet browser issue and his concerns regarding system limitations. Per SA, the internet browser issue should be resolved with the next release in December. Phase II of the website redesign will focus on the database. Improvements to database applications will ensure that it is more user friendly. SA is committed to work with the VBOA to resolve all concerns.

- Mr. Jewell led the discussion regarding the AICPA’s approval to allow non-CPA’s as members. An overwhelming majority of AICPA members approved the vote.
• Mr. Jewell advised the members that the NASBA Blue Ribbon Panel on Standard Setting for Private Companies established by the Financial Accounting Foundation was a topic of discussion briefly addressed by Ms. Peters during the public comment period.

• Dr. Broome provided an overview of the NASBA Board of Examiners (BOE) and their duties, and provided a brief update on the implementation of the new CPA Exam beginning on January 1, 2011. Dr. Broome also informed the board that progress is being made to offer CPA Exam sites overseas beginning sometime in 2011. The initial release will be in the following countries: Japan, Lebanon, Kuwait, Bahrain, and the United Arab Emirates. Candidates will still be required to apply through a state board and adhere to the requirements. Effective November 1, 2010, Mr. Samuel will succeed Dr. Broome as chair of the State Board Committee of the BOE. Mr. Jewell informed the board that he had participated in a BOE conference call last week that is designed to keep executive directors and board members up to date on BOE issues.

• Mr. Jewell advised the members that due to an increase in the number of exam applicants attempting to sit for the exam prior to the January 1, 2011 changes, Prometric is planning to adjust schedules accordingly. Mary Charity, Licensing & Examination Manager, is monitoring Virginia Prometric sites for availability and all is well at this time. Dr. Broome advised the members that exam numbers might be affected because of the number of candidates trying to sit for the exam prior to the changes. Similar increases were noted when the exam was upgraded to computer based testing in 2006. In addition, score releases will be delayed in January and February to ensure accuracy.

• Mr. Jewell received a request for membership from the Federation of Associations of Regulatory Boards. He will research the organization, focusing on NASBA’s participation and report his findings to the members.

• Mr. Jewell led the discussion regarding the NASBA Center for Public Trust’s free electronic newsletter. The newsletter is free to all CPA’s and will include Ethics Matters. Following a discussion, it was determined that the VBOA will provide a link to the newsletter under the “Resources” tab on the board website.

• Mr. Jewell led the discussion regarding the NASBA Accountancy Licensee Database (ALD). The members previously approved the MOU and DHP is in communication with NASBA to create the file transfer. However, workload with DHP is causing delays. Mr. Jewell will keep the members abreast by providing status updates.

• Mr. Jewell advised the members that the Department of Health and Human Services (Healthcare Integrity and Protection Data Base (HIPDB)) has recently begun requiring that some Boards of Accountancy determine whether an action taken against a licensee is related to the delivery of a health care service or item and, if so, report it to the HIPDB. Virginia has received no such notification. NASBA is investigating. Mr. Jewell will keep the members informed of this potential requirement for Virginia.

• Mr. Jewell advised the members that Pamela Kamalakkannan will complete the 2010 VBOA financial statements soon. Mr. Jewell plans to present a report at the November meeting.

• Mr. Jewell advised the members that he will work with Chairman Dickerson and Mr. Samuel to prepare the Biennial Report for submission by the November 1 deadline. In addition, he will
Mr. Jewell provided copies of the September Financial and Board Reports. VBOA finances are in good standing. Revenue has increased 2.2% over the same period from last fiscal year. Mr. Jewell reported that barring any extraordinary expenses or a significant decline in revenue, the VBOA should not have to withdraw funds from the Trust account this fiscal year. However, Mr. Jewell has requested an increase in appropriations to cover the approved budget for FY2011. He provided a definition of non-general funded agencies and an explanation of appropriations. In addition, he provided an overview of the license renewal processes and the license status types. The VBOA will begin to monitor the number of licenses voluntarily surrendered/expired and the information will be included in the monthly report.

RECESS FOR BOARD LUNCH

RECONVENE

Chairman Dickerson acknowledged the outstanding service provided by Ms. Norwood and presented her with a plaque.

FY11 ETHICS OUTLINE

Mr. Jewell led the discussion regarding the FY11 Ethics Outline with Mr. Holton’s assistance. Following a review and discussion of the FY11 Ethics Outline, including proposed supporting documentation being prepared by Mr. Holton, upon a motion by Dr. Broome and duly seconded, the members voted unanimously to approve the FY11 Ethics Outline as modified.

WEBSITE UPDATE/OVERVIEW

Mr. Samuel provided an overview of the website project and current status. Mr. Jewell provided a live demonstration of the VBOA website redesign to date. VBOA staff, the VBOA Communications Committee, and board members will have the opportunity to review and “test” the website before the go live date. The official launch is tentatively scheduled for January 2011.

PRIOR TO CLOSED MEETING

Mr. Dickerson announced to the meeting guests that the board would be going into closed session to address enforcement cases/issues. The guests were asked to remain close by if possible, and could rejoin the board meeting upon conclusion of the closed session.

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, 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 cases 2010-U0011, 2009-U0026, 2009-U0027, 2009-U0029, 2009-U0031, 2009-0024, and 2009-0033 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: Jean Grant, Enforcement Manager, Cynthia H. Norwood, Senior Assistant Attorney General, Joshua Lief, Senior Assistant Attorney General and Wade A. Jewell, Executive Director.
The members voting “AYE” were Mr. Dickerson, Mr. Samuel, Ms. Calderone, Ms. Kilmer, Mr. Holton, Ms. Brayboy and Dr. Broome.

Dr. Broome presided as acting chair for the closed session.

Due to her involvement with Case # 2010-U0011, Ms. Calderone was not present and did not participate in the discussion or vote.

Due to their involvement with Case #’s 2009-U0026, 2009-U0027, 2009-U0031, 2009-U0029, and 2009-0024, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

Mr. Samuel recused himself from Case # 2009-0026, and therefore was not present and did not participate in the discussion or vote.

END CLOSED MEETING

Upon a motion by Dr. Broome, 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.

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 Board 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 – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
Stephen D. Holton, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

VOTE
AYES: Seven (7)
NAYS: None.

Case # 2009-0033 Turner

Ms. Turner was present and not represented by legal counsel. Ms. Turner read an essay as required by the VBOA to satisfy a portion of the terms and conditions of Board Order # 2009-0033. In addition to the essays, Ms. Turner was required to submit 120 CPE credits and was assessed a monetary penalty.
Case # 2010-U011 Evans (Calderone)

Ms. Grant provided an overview of the case; the following actions were taken as a result of the closed meeting:

In the matter of Case # 2010-U011 (Evans), Mr. Evans 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 to offer Mr. Evans a Consent Order with a monetary penalty.

CALL FOR VOTE:
Dian T. Calderone, MTX, CPA – Did not participate in discussion or vote.
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
Stephen D. Holton, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

VOTE
AYES: Six (6)
NAYS: None.

Case # 2009-U0026 Polk (Dickerson & Holton)

Ms. Grant provided an overview of the case; the following actions were taken as a result of the closed meeting:

In the matter of Case # 2009-U0026 (Polk), Ms. Polk was not present nor represented by counsel.

Upon a motion by Ms. Calderone, and duly seconded, the board by unanimous vote accepted the recommendations of the presiding officer to offer Ms. Polk a Consent Order with a monetary penalty.

CALL FOR VOTE:
Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Did not participate in discussion or vote.
Tyrone E. Dickerson, CPA – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

VOTE
AYES: Four (4)
NAYS: None.
Case # 2009-U0027 Martin (Dickerson and Holton)

Ms. Grant provided an overview of the case; the following actions were taken as a result of the closed meeting:

In the matter of Case # 2009-U0027 (Martin), Ms. Martin was not present nor represented by counsel.

Upon a motion by Ms. Calderone, and duly seconded, the board by unanimous vote accepted the recommendations of the presiding officer to offer Ms. Martin a Consent Order with a permanent reprimand on her record.

CALL FOR VOTE:
Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

VOTE
AYES: Five (5)
NAYS: None.

Case # 2009-U0031 Bobbitt (Dickerson & Holton)

Ms. Grant provided an overview of the case; the following actions were taken as a result of the closed meeting:

In the matter of Case # 2009-U0031 (Bobbitt), Mr. Bobbitt was not present nor represented by counsel.

Upon a motion by Ms. Calderone, and duly seconded, the board by unanimous vote accepted the recommendations of the presiding officer to impose a monetary penalty.

CALL FOR VOTE:
Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

VOTE
AYES: Five (5)
NAYS: None.
Case # 2009-U0029 Dye *(Dickerson & Holton)*

Ms. Grant provided an overview of the case; the Board reviewed the board order with its findings of fact, conclusions of law and actions.

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

In the matter of Case # 2009-U0029 (Dye), Mr. Dye was present during the closed session and was not represented by counsel.

Upon a motion by Ms. Kilmer, and duly seconded, the board by unanimous vote accepted the presiding officers recommendation to impose a monetary penalty.

**CALL FOR VOTE:**
Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

**VOTE**
AYES: Five (5)
NAYS: None.

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Case # 2009-0024 Harris *(Dickerson & Holton)*

Ms. Grant provided an overview of the case; the following actions were taken as a result of the closed meeting:

In the matter of Case # 2009-0024 (Harris), Mr. Harris 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 to impose a monetary penalty.

**CALL FOR VOTE:**
Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Aye

**VOTE**
AYES: Five (5)
NAYS: None.
ADDITIONAL ITEMS FOR DISCUSSION

Ms. Kilmer provided a summary of her recent meeting with Governor McDonnell.

Mr. Dickerson reported that his attendance at the VSCPA Fall Inauguration was a wonderful experience. In addition, he also spoke at his Alma Mater Central State University and plans to do so again in the future. He will be attending the NASBA Annual Meeting with Dr. Broome next week.

Dr. Broome advised the members that he recently spoke to a Master of Accountancy class at the University of Virginia about the CPA Exam and on the role of the VBOA.

Ms. Brayboy extended an offer to the members to hold a meeting in the Norfolk area.

FUTURE MEETING DATES

Tuesday, November 30, 2010 – 10 a.m./Board Room #3
Wednesday, December 15, 2010 – 10:00 a.m./Board Room #3
Wednesday, January 12, 2011 – 10:00 a.m./Board Room #2

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

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

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Dickerson and duly seconded, the meeting was adjourned by unanimous vote at 3:25 p.m. The members voting “AYE” were Mr. Dickerson, Mr. Samuel, Ms. Brayboy, Ms. Calderone, Ms. Kilmer, Mr. Holton, and Dr. Broome.

APPROVED:

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Tyrone E. Dickerson, CPA, Chairman

COPY TESTE:

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Wade A. Jewell, Executive Director