

The Virginia Board of Accountancy Annual Planning Meeting

- Date and Location:** May 10, 2012 at 9960 Mayland Drive – 2nd Floor
Conference Center/Training Room #1 (A-C)
- Board members present:** Lawrence D. Samuel, CPA, Chairman
Dian T. Calderone, MTX, CPA, Vice Chairman
Tyrone E. Dickerson, CPA, Immediate Past Chairman
Regina P. Brayboy, MPA, MBA, Board Member
Andrea M. Kilmer, CPA, CFF, Board Member
W. Barclay Bradshaw, CPA, Board Member
Robert J. Cochran, Ph.D., CPA, Board Member
- Board staff present:** Wade A. Jewell, Executive Director
Chantal K. Scifres, Deputy Director
Dreana L. Gilliam, Board Administrator
Lisa J. Carson, Communications & Training Director
Jean Grant, Enforcement Manager
- Board staff present for a portion of the meeting:** Mary Charity, Licensing/Examinations Manager
Patti Hambright, Licensing/Examinations Coordinator
- Others present:** Emily Walker, Government Affairs Director, Virginia
Society of Certified Public Accountants
Darshae Dabney, Peer Review Administrator, Virginia
Society of Certified Public Accountants
- Public Comments:** While members of the public were present, no public
comment was received.

Chairman Samuel called the meeting to order at 10:05 a.m. in Training Room #1 (A-C) of the Perimeter Center. Ms. Gilliam provided the emergency evacuation procedures and Chairman Samuel made the declaration of a quorum.

Mr. Samuel polled the members for additional agenda topics. The May 10, 2012 agenda was approved as presented. Mr. Dickerson advised the members that the session was informal and additional topics for discussion would be welcomed at any point during the meeting.

PROPOSED FEE INCREASE

Mr. Jewell led the discussion regarding the proposed fee increase. The public comment period ended at midnight on April 27, 2012. One comment was received and a response was sent to clarify the misunderstanding regarding the verification of licensure fee. He

reported that the VSCPA did a great job shedding light on the potential changes from the Board's perspective. An interview of Mr. Jewell by the VSCPA can be found by visiting the VSCPA website. Mr. Jewell thanked the VSCPA for their outstanding communication efforts.

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to adopt the proposed fee package effective May 14, 2012, as submitted in the proposed stage, to be submitted as the final stage. The members voting "AYE" were Mr. Dickerson, Ms. Calderone, Mr. Samuel, Ms. Kilmer, Ms. Brayboy, Dr. Cochran, and Mr. Bradshaw.

VBOA staff will post the final stage to Town Hall on Monday, May 14, 2012 and Mr. Jewell will notify the Department of Planning and Budget (DPB) and the Secretary's office accordingly.

Mr. Samuel then turned the meeting over to Mr. Dickerson.

OPENING REMARKS

Mr. Dickerson advised the attendees that the planning meeting is informal as in years past. He provided a historical overview of the VBOA's last three Annual Strategic Planning Meetings. He reviewed each agenda and highlighted the milestones of each year.

TOPICS OF DISCUSSION

Board Policies

Mr. Jewell led the discussion regarding board policies. Previously Ms. Gilliam was given a document that reflected information dating back approximately ten years. She began researching the minutes to confirm alleged previously implemented policies. In the fall, Ms. Carson was asked to review minutes, statutes and regulations from 2007-current. At the conclusion of her research she provided Mr. Jewell and Mr. Samuel with the results. Following a thorough review of all of the information, Mr. Jewell and Mr. Samuel were able to identify six items that they believe require a specific board policy. Substantial equivalency, CPE sponsor requirements, VBOA trust account, conduct relative to the CPA exam, expectations of unlicensed owners of firms, and the publication of disciplinary actions policies will be developed over the next several months.

Mr. Samuel advised the members that going forward they will need to define a distinction between board policies, board guidance, and staff Q & A's. It is necessary to become consistent regarding documentation for internal/external guidance. The statutes and regulations address each of the six items identified as potential policies. Ms. Calderone recommended that the VBOA annually ratify all policies in order to ensure that current policies remain relevant. Mr. Jewell advised that his goal at the June 26 Board meeting is

to have the Board rescind all previously implemented policies and then vote to adopt new/existing policies.

Enforcement Practices

Mr. Jewell led the discussion regarding enforcement practices. He stated that the VBOA has been fortunate to have a readily available pool of highly experienced subject matter experts to address enforcement issues as they arise. Ms. Calderone provided a detailed overview of the Enforcement committees' decision making processes, to include her experiences working with the prior administration and their expectations. Following a comprehensive discussion the members agreed that there is a need to determine, through the enforcement process, opportunities where the Board can rehabilitate licensees versus licensees who have harmed the public or potentially may harm the public and are a detriment to the profession.

Mr. Jewell led the discussion regarding CPE deficiencies. Generally speaking CPE deficiencies are handled at the staff level, using criteria developed by the Board several years ago. Ms. Calderone has developed a revised CPE violations sanctions table for staff use. The draft document will be presented at the June 26th meeting for approval. Mr. Samuel requested a semi-annual or annual report of CPE deficiencies that provides more detail.

Ms. Calderone led the discussion regarding protected political speech and use of the CPA designation by non-licensed political candidates. She provided an overview of a case that is currently being heard by the Supreme Court in which an individual is alleged to have violated the Stolen Valor Act. This is an issue that requires monitoring as the results may impact all licensing agencies.

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TOPICS OF DISCUSSION, continued

Communications

Mr. Jewell led the discussion regarding the VBOA's improved communication strategies. The agency has significantly increased communications to regulants, exam candidates and educators over that last year. The VBOA hopes to launch its social media outlets by June 30. The initial launch will include Twitter, Facebook, and LinkedIn. The VBOA will utilize social media as a means to provide valuable information. Mr. Jewell and Dr. Cochran led discussions regarding educators, colleges and universities, and the accounting profession from an educational perspective. There remain many colleges and universities, which includes educators, who do not encourage or work with their accounting students to prepare for the CPA Exam and/or profession. Many ideas and suggestions were discussed on how to move forward in this area. Mr. Jewell will be

presenting to the VSCPA's Educator's Conference on June 7, and will use this opportunity to engage Virginia's educators in a similar discussion. Dr. Cochran and Mr. Jewell will work to encourage educators to promote the importance of obtaining CPA licensure. Licensure provides a distinct advantage in the job market and it is important that accounting educators and colleges/universities consider licensure when designing accounting degree programs.

Database Application

Mr. Jewell led the discussion regarding the database application. He is currently in the process of developing a Statement of Need as part of a Request for Proposal (RFP) with assistance from Ms. Scifres, Ms. Charity and other staff. It is important that the Statement of Needs portion of the RFP is specific and as detailed as possible to ensure a clear representation of needs. The goal is to release the RFP within the next several months.

National Presence

Mr. Jewell led the discussion regarding the VBOA's national presence in the AICPA and NASBA. It is important that the new members keep up the momentum established by their predecessors for the agency to remain actively involved at the national level. Ms. Kilmer and Mr. Bradshaw will attend the new Board member orientation of the NASBA Eastern Regional Meeting on June 13, 2012 in Philadelphia. Mr. Jewell will attend the entire meeting (June 13-15, 2012), along with another Board member still yet to be determined.

Mr. Jewell reported that NASBA was previously sending the score notices to the VBOA and staff would prepare them for mailing. NASBA has eliminated the delay in getting the notices to exam candidates by bypassing the middle man and sending the notices directly to the candidates. In addition, NASBA is currently releasing all scores at the same time. Previously, states utilizing CPA Examination Services (CPAES) were released prior to the non-CPAES states and the scores were not posted on the NASBA website.

FUTURE BOARD MEETINGS

Tuesday, June 26, 2012
Tuesday, August 21, 2012

Mr. Dickerson will work with Mr. Jewell to determine the location for the VBOA's fall Board meeting to be held on a college campus.

ADDITIONAL ITEMS FOR DISCUSSION

Ms. Calderone recommended that the VBOA post a list of CPE sponsors offering the annual Virginia specific ethics course on the Board's website.

Mr. Jewell reported that he is compiling a listing of potential legislative issues. One example - In cases of egregious behavior or convictions the VBOA should consider the immediate suspension of licensure until such time the Board can complete the enforcement process. He plans to present his findings at the June 26 meeting.

Mr. Jewell advised the members that he would like to take the opportunity to thank the Board staff for all they do on a daily basis in representing the Board and for the outstanding customer service that they provide. Mr. Jewell then turned the meeting over to Mr. Samuel.

Mr. Samuel reported that Mr. Jewell will present the draft budget for review at the June 26 meeting and the members will go into closed session to discuss personnel matters.

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

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

ADJOURNMENT

Comprehensive discussions in relation to each topic enabled members of the Board to have a clear understanding of the course of action to ensure adherence to the agency's mandate to protect the citizens of the Commonwealth.

Looking forward, the Board remains committed to maintaining a leading position in the regulation of the accounting profession through the development and implementation of innovative changes impacting the examination and licensure of CPAs.

The members adjourned the annual planning meeting at 2:31p.m.

APPROVED:

Lawrence D. Samuel, CPA, Chairman
Board of Accountancy

COPY TESTE:

Wade A. Jewell, Executive Director