

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Friday, September 11, 2009 in Board Room 3 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

MEMBERS PRESENT: O. Whitfield Broome, Ph.D., CPA, Chairman
Tyrone E. Dickerson, CPA, Vice Chairman
Dian T. Calderone, MTX, CPA, Immediate Past Chairman
Lawrence D. Samuel, CPA
Regina P. Brayboy, MPA
William E. Hunt, CPA

MEMBERS ABSENT: Stephen D. Holton, CPA

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

**PRESENT FOR A
PORTION OF
THE MEETING:**

Maria J. K. Everett, Executive Director, Virginia Freedom of Information Advisory Council
James Walker, CPA, Board Chairman, Virginia Society of Certified Public Accountants
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Deborah A. Rigdon, SPHR, Manager, Department of Human Resource Management
Mary Charity, Licensing/Examination Manager
Jean Grant, Enforcement Manager
Katherine Idrissi, Special Assistant

OTHERS PRESENT: Cynthia H. Norwood, Assistant Attorney General
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Broome called the meeting to order at 9:08 a.m.

SECURITY BRIEFING

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

APPROVAL OF AGENDA

Upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the September 11, 2009 agenda.

APPROVAL OF MEETING MINUTES

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

ACTION ITEMS

Mr. Jewell provided a summary of the pending and closed action items.

PUBLIC COMMENT

Members of the public were in attendance but no public comment was given at this time.

FOIA TRAINING

Maria J. K. Everett, Executive Director, Virginia Freedom of Information Advisory Council provided her background and the history of the FOIA Council. She advised there are many misconceptions of FOIA and the training was designed to dispel the myths. Ms. Everett provided a detailed explanation and answered questions regarding what is defined as a meeting under FOIA, requirements of electronic meetings, teleconferencing, e-mail and meetings, and closed sessions under FOIA.

BOARD MEMBER/COMMITTEE UPDATES

Dr. Broome led the discussion regarding the comprehensive review of the VBOA regulations in Mr. Holton's absence. Mr. Holton continues to work on the proposed regulations. The deadline to submit the proposed regulatory package (fast-track) to the Department of Planning and Budget (DPB) is October 15, 2009. Mr. Holton, Mr. Jewell, and Dr. Broome will meet with DPB and the Governor's office to discuss the proposed regulations submission. The date of the meeting is being negotiated.

Mr. Hunt led the discussion regarding the 2010 Mandatory Ethics CPE Outline. Mr. Hunt provided an overview of the Draft 2010 Ethics Outline. Upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the 2010 Ethics Outline with amendments.

Ms. Calderone led the discussion regarding VBOA communications. A review of the VBOA website is still in progress. A volunteer web designer secured by Ms. Calderone will provide insights of his findings upon completion of his review. Ms. Calderone is currently in the process of selecting approximately 15-20 individuals for the Communications Committee. The members will be comprised of students, practitioners, representatives of professional organizations, and professors. She will provide a list of the members chosen at the October 20, 2009 meeting.

Mr. Samuel led the discussion regarding VBOA Frequently Asked Questions (FAQs). Mr. Samuel and Mr. Jewell have met and discussed the current status of the FAQs provided by staff. Mr. Jewell will complete a comprehensive review of the FAQs prior to the next Board meeting. Mr. Samuel and Mr. Jewell will also schedule a meeting with Mr. Holton regarding the FAQs of interest.

In Mr. Holton's absence, Dr. Broome advised the members that the proposed fee increase agenda item would be postponed until the October meeting. In addition, Mr. Holton is currently working on possible revisions to the Consent Orders and Cease and Desist Orders, and plans to discuss the revisions with Cindy Norwood.

EXECUTIVE DIRECTOR REPORT

Mr. Jewell presented general updates regarding VBOA. Mr. Jewell provided an update regarding VBOA eGov functionality. Systems Automation (SA) is currently in the process of testing upgrades, which will allow regulants access with browsers other than Internet Explorer (IE).

Mr. Jewell suggested that the National Association of State Boards of Accountancy (NASBA) be invited to come and present their National Registry of CPE Sponsors and QAS programs to the Board for future consideration. Having knowledge of NASBA's programs may assist the Board in reviewing its CPE policy. The Board agreed. Mr. Jewell will contact NASBA and request their attendance at the October 20, 2009 meeting.

Mr. Jewell notified the members that the Licensing/Examinations Manager is scheduled to begin maternity leave on Monday, September 21, 2009.

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RECONVENE

BEGIN CLOSED MEETING

Upon a motion by Ms. Calderone, 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 performance expectations of the Executive Director, a matter lawfully exempted from open meeting requirements under the 'personnel matters' exemption as permitted by § 2.2-3711(A) (1) of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Deborah A. Rigdon, SPHR, Manager, Department of Human Resource Management, and Wade A. Jewell, Executive Director. The members voting "AYE" were Mr. Dickerson, Mr. Samuel, Mr. Hunt, Dr. Broome, Ms. Brayboy, and Ms. Calderone.

END CLOSED MEETING

Upon a motion by Ms. Calderone, 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. Dickerson, Mr. Samuel, Mr. Hunt, Dr. Broome, Ms. Calderone and Ms. Brayboy.

Upon a motion by Ms. Calderone, 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 – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
Stephen D. Holton, CPA – Not Present/No Vote
Regina P. Brayboy, MPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Six (6)
NAYS: None.
ABSENT DURING VOTE: None.
ABSENT DURING MEETING: Mr. Holton

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

EXECUTIVE DIRECTOR'S REPORT – cont'd.

Mr. Jewell reminded the Board that he and Mr. Samuel would be making a presentation to the Department of Defense, Inspector General's Office in Arlington, Virginia on Monday, September 14, 2009. The Virginia Society of Certified Public Accountants will be presenting immediately following the VBOA.

Mr. Jewell led the discussion/review regarding the VBOA FY10 budget vs. actual expenses, flash report, and the agency strategic plan/performance measures. The number of licensees pending renewal has increased and Mr. Jewell will investigate possible causes. He will review internal renewal notice processes (e.g., number and timing of reminder notices sent) and present his findings at the October 20 meeting.

Mr. Jewell presented a revised format for comparing the FY10 budget vs. actual expenses, cash report and the monthly flash report. The Governor announced on September 8, 2009 the administration's plan for reducing the budget deficit in the Commonwealth. The VBOA was targeted for a total of \$91,945 in cash, or a total of 10% of the VBOA's appropriation. This fund transfer will be recommended in the caboose bill for FY10 that will be submitted to the General Assembly for the 2010 Session.

Mr. Jewell presented the VBOA's revised strategic plan and performance measures that were submitted to DPB on September 1, 2009. To date there has been no feedback from the administration or DPB on the suggested changes.

PEER REVIEW

Mr. Hunt provided an update regarding VBOA peer review processes. He plans to attend the AICPA Annual Oversight Review Meeting with the Virginia Society of Certified Public Accountants on October 6, 2009. He continues to research this issue; however, Mr. Hunt advises that forming a separate group (task force) to provide oversight is most likely the best plan of action.

REQUESTS FOR BOARD CONSIDERATION

Stratford University (SU) submitted the required documents regarding accreditation as requested by the VBOA. Upon a motion by Mr. Samuel, and duly seconded, the VBOA made the following certification:

Based on a review of information provided by Stratford University regarding its degree programs accredited by the Accrediting Council for Independent Colleges and Schools, in accordance with Code of Virginia §54.1-4400, the Board by unanimous vote approved Stratford University's request, with one exception (proposed Master's Degree Program – Accounting at the Woodbridge campus).

A2Z Evaluations submitted a request to become a Board-approved foreign credentialing service. Following a review of the information submitted for review and consideration, the VBOA will postpone further discussion until additional information/references are obtained.

CPE/PEER REVIEW COMPLIANCE

Mr. Jewell and Ms. Gilliam led the discussion regarding Vaco's request for a resolution to issues surrounding their 2008 ethics course, which failed to satisfy the VBOA requirement. Upon a motion by Mr. Hunt, and duly seconded, the VBOA made the following certification by unanimous vote:

The members of the VBOA have considered Vaco's request and authorize the Executive Director to provide a written response, which includes an explanation of the mandatory 2-hour ethics CPE requirement. In addition, Vaco must provide all attendees of the course with the notification from the VBOA advising the course did not satisfy the ethics requirement.

Ms. Gilliam led the discussion regarding Mr. Adkins request for guidance on meeting the annual ethics requirement considering it is no longer available. Upon a motion by Mr. Dickerson, and duly seconded, the VBOA made the following certification by unanimous vote:

The members of the VBOA refer the request back to the Executive Director. He will provide a written response to Mr. Adkins.

Ms. Gilliam led the discussion regarding Ms. Turner's request that enrollment in the peer review program be retracted. Upon a motion by Mr. Dickerson, and duly seconded, the VBOA made the following certification by unanimous vote:

The members of the VBOA refer this request to the Enforcement Committee for further consideration.

ENFORCEMENT REPORT

Ms. Grant provided an overview of the cases; the members reviewed the Board consent order and request for reconsideration which included findings of fact, conclusions of law and actions.

Due to his involvement with the cases, Mr. Dickerson was not present and did not participate in the discussion or vote.

Consent Order:

File Number 2009-0026 (Tucker) (Dickerson & Holton)

Request for Reconsideration:

File Number 2008-D23 (Stahl) (Dickerson & Holton)

BEGIN CLOSED MEETING

Upon a motion by Ms. Calderone, 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 2008-D23 and 2009-0026 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, Ms. Brayboy, and Ms. Calderone.

END CLOSED MEETING

Upon a motion by Ms. Calderone, 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, Ms. Brayboy, and Ms. Calderone.

Upon a motion by Ms. Calderone, 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 – Aye
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 – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson

ABSENT DURING MEETING: Mr. Holton

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

File Number 2009-0026 (Tucker) (Dickerson & Holton)

In the matter of **File Number 2009-0026** (Tucker), Ms. Tucker was not present nor represented by counsel:

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

File Number 2008-D23 (Stahl) (Dickerson & Holton)

In the matter of **File Number 2008-D23** (Stahl), Mr. Stahl was not present nor represented by counsel:

Upon a motion by Mr. Samuel, and duly seconded, the Board by unanimous vote denied the request for reconsideration.

ADDITIONAL ITEMS FOR DISCUSSION

FUTURE MEETING DATES

Tuesday, October 20, 2009 – 10a.m.

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 Dr. Broome and duly seconded, the meeting was adjourned by unanimous vote at 4:40 p.m. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, Ms. Brayboy, and Mr. Dickerson.

APPROVED:

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

COPY TESTE:

Wade A. Jewell, Executive Director