

FINAL/APPROVED for September 18, 2012
THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Tuesday, September 18, 2012 in Training Room #1 (A-C) of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Tyrone E. Dickerson, CPA, Chairman
Andrea M. Kilmer, CPA, CFF, Vice Chairman
W. Barclay Bradshaw, CPA
Robert J. Cochran, Ph.D., CPA
Marc B. Moyers, CPA
Stephanie S. Saunders, CPA

MEMBERS ABSENT: Regina P. Brayboy, MPA, MBA

STAFF PRESENT: Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator
Chantal K. Scifres, Deputy Director
Mary T. Charity, Director of Operations
Jean Grant, Enforcement Manager
Patti B. Hambright, Licensing & Examinations Coordinator

**LEGAL COUNSEL
PRESENT FOR
THE MEETING:** Joshua Lief, Senior Assistant Attorney General

**PRESENT FOR A
PORTION OF
THE MEETING:** Emily Walker, Government Affairs Director, Virginia Society of
Certified Public Accountants
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public
Accountants
James Walker, CPA
Darshae Dabney, Technical Services Specialist, Virginia Society of
Certified Public Accountants
Gordon N. Dixon, Director, Virginia Department of Professional and
Occupational Regulation

CALL TO ORDER

Chairman Dickerson called the meeting to order at 10:04 a.m.

SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures.

DETERMINATION OF QUORUM/APPROVAL OF AGENDA

After the declaration of a quorum by Mr. Dickerson, upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to approve the September 18, 2012 agenda with revisions. The members voting "AYE" were Mr. Dickerson, Ms. Kilmer, Mr. Moyers, Mr. Bradshaw, Ms. Saunders and Dr. Cochran.

APPROVAL OF MEETING MINUTES

Upon a motion by Mr. Bradshaw and duly seconded, the members voted unanimously to approve the August 21, 2012 meeting minutes as corrected. The members voting “**AYE**” were Mr. Dickerson, Ms. Kilmer, Mr. Bradshaw and Dr. Cochran.

PUBLIC COMMENT PERIOD

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

BOARD MEMBER/COMMITTEE UPDATES

Mr. Jewell led the discussion regarding Regulatory/Legislative updates. Mr. Jewell reported that the Governor approval of the fee package was received on September 9, 2012. The package has been submitted to the Registrar for publication in the Register. The 30 day final adoption period begins and the public comment period opens on October 8, 2012. Any comments received will be brought before the board at the November 13, 2012 meeting. Mr. Jewell would like to see the new fees implemented on January 1, 2013.

Mr. Jewell recently participated in a phone call with Jasen Eige, Counselor and Senior Policy Advisor to the Governor. Governor McDonnell has implemented a regulatory reform initiative. This initiative requires state agencies to review and streamline their regulations. The VBOA is currently in good shape having streamlined its regulations effective September 16, 2010. Mr. Jewell will still go through the process as required to ensure compliance.

EXECUTIVE DIRECTOR’S REPORT

Mr. Jewell presented general updates regarding the VBOA.

- Mr. Jewell reported that he attended the NASBA Strategic Planning Meeting September 4-5, 2012 in Dallas, Texas. The committee was successful in developing a comprehensive strategic plan. They began the process by developing a foundation of key components. The key components were the NASBA Mission, Vision, and the organizations Goals and Objectives. The final draft of the plan is currently pending review and submission to the Board of Directors.
- Mr. Jewell provided the NASBA future meeting dates. The NASBA 2012 Annual Meeting will be held in Orlando, Florida from October 28-31. Mr. Dickerson, Ms. Kilmer, Dr. Cochran, and Mr. Jewell plan to attend. The 2013 Eastern Regional Meeting will be held in Chicago, Illinois from June 26-28. Mr. Jewell recommended that Dr. Cochran, Ms. Saunders and Mr. Moyers attend the 2013 NASBA New Board Member Orientation.
- Ms. Scifres led the discussion regarding her recent attendance at the NASBA University meeting for Board of Accountancy senior staff, on September 12-14 in Nashville, Tennessee. This year’s meeting was reported as the largest NASBA University held with Alaska and Hawaii both in attendance. Ms. Scifres reported that attending the meeting was a good experience and an excellent opportunity for networking.

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- Mr. Jewell led the discussion regarding the next edition of the VBOA E-newsletter. Development of the E-newsletter is currently underway with the hope to have it finalized and distributed by the end of November.
- Mr. Jewell led the discussion regarding the AICPA Board of Examiners (BOE) recent teleconference. The BOE, a senior committee of the AICPA, is the body that sets policy for the Uniform CPA Examination in accordance with legal and psychometric standards as they apply to licensure examinations. The BOE is constantly working to develop and have available a pool of questions for the Uniform CPA examination. International candidates take the International Qualification Examination (IQEX). In November 2012, the IQEX will transition to a new format that will use an administration of the Uniform CPA Examination's Regulation section.
- Mr. Jewell led the discussion regarding the AICPA's request for comments on proposed significant changes to professional standards and proposed revisions to Statements on Standards for Accounting and Review Services. The deadline for submission of comments is November 30, 2012. He polled the members and received no comments for submission. NASBA has already submitted their comments. The NASBA Regional Directors had vetted NASBA's response prior to its submission.
- Mr. Jewell reported that Ms. Kilmer will represent the Board on Wednesday, September 19, 2012 at the Tidewater Chapter of the VSCPA presenting "Current Issues Affecting the Profession."
- Mr. Jewell led the discussion regarding the three 2013 Legislative Proposals submitted to the Secretary's Office for consideration. Following their submission to the Secretary's office he contacted them to obtain a status update. Unfortunately, the information is now considered Governor's confidential working papers and they are not able to provide any information. Mr. Jewell will meet with the VSCPA's Executive Committee on Thursday, September 27, 2012 to discuss the legislative proposals. Ms. Peters reported that the VSCPA will take positions on the proposals next week.
- Mr. Jewell led the discussion regarding the VBOA New Board Member Orientation held on Monday, September 10, 2012. This was the second year of conducting the training. The meeting began at 10:00 am and concluded at approximately 3:00 pm. Ms. Saunders reported that the session was very informative and highly recommends the training for future new members. She was especially impressed with the Enforcement information and the opportunity to meet all of the staff and to learn of their responsibilities. Mr. Moyers reported that the training was very informative, comprehensive and useful. Mr. Dickerson stated that he was very impressed with the content of the material and the contributions of staff. In addition, he stated that he believes the format of the information provided could be useful to the other boards/jurisdictions.

DEPUTY DIRECTOR'S REPORT

- Ms. Scifres provided an overview of the August Financial Report. The VBOA has currently expended 16.2% of the approved budget which is in line with the same time last year. Ms. Scifres received and responded to member questions regarding the Financial Report and the FY13 Budget.
- Ms. Charity provided an overview of the August Board Report. She continues work with Ms. Gilliam to improve the CPE report information and to automate the CPE processes overall.

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- Mr. Jewell led the discussion regarding the resubmission of his request for additional positions. The deadline for submission to the Secretary's office is today and the deadline to provide the information required by DPB is Friday, September 21, 2012 (if approved by the Secretary's Office).

At 11:00 a.m. two members of the public joined the meeting and were asked by Chairman Dickerson to introduce themselves. James K. Walker, CPA, former Chair of the VSCPA Board of Directors and Mr. Gordon N. Dixon, Director, Virginia Department of Professional and Occupational Regulation.

BOARD POLICIES/CPE DEFICIENCY PENALTIES

Mr. Jewell led the discussion regarding the proposed board policies and other guidelines. Mr. Anthony Page previously petitioned the Board to award CPE credits for a self-study examination. The current regulations address CPE outside the traditional CPE courses (i.e., instructor credits). The AICPA recently released a word count formula in the Statement on Standards for CPE Programs. Following research from staff it was determined this process is extremely time consuming and would require an extensive amount of staff resources to perform. Following a comprehensive discussion the following action was taken. Upon a motion by Ms. Kilmer, and duly seconded, the VBOA approved by unanimous vote up to 30 hours of CPE (without a certificate of completion indicating CPE hours earned) for passing each section of the CFA Exam, and other exams presented by staff for approval by the Board, not to exceed a total of 60 hours over a 3-year rolling period. The members voting "AYE" were Mr. Dickerson, Ms. Kilmer, Mr. Moyers, Ms. Saunders, Mr. Bradshaw, and Dr. Cochran.

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BOARD POLICIES/CPE DEFICIENCY PENALTIES - *continued*

Mr. Jewell led the discussion regarding the CPE deficiency penalties table prepared by former Board member Dian Calderone, MTX, CPA. Prior to the end of her term Ms. Calderone prepared the draft document as a guideline for Consent Orders. Following a review of the handout the members engaged in a comprehensive discussion. The following action was taken at the conclusion of the discussion. Upon a motion by Ms. Kilmer, and duly seconded, the VBOA approved by unanimous vote adopted the proposed CPE deficiency penalties as amended as guidance in relation to Consent Orders for staff. The members voting "AYE" were Mr. Dickerson, Ms. Kilmer, Mr. Moyers, Ms. Saunders, Mr. Bradshaw, and Dr. Cochran.

Mr. Jewell provided a historical overview regarding Board policies. Staff previously went through years of minutes, statutes and regulations in search of previously voted on items. Following the staff review Mr. Jewell and Mr. Samuel performed a review and determined the following six policies required immediate attention.

1) Trust Account – From a transparency standpoint this policy is necessary. Following comprehensive discussion members revised the proposed policy verbiage. Upon a motion by Ms. Kilmer and duly seconded, the VBOA by unanimous vote approved Board Policy #1 as amended. The members voting "AYE" were Mr. Dickerson, Ms. Kilmer, Mr. Moyers, Ms. Saunders, Mr. Bradshaw, and Dr. Cochran.

2) CPE Sponsors – The current policy is very broad and this policy does not impose any restrictions to the current policy. This policy provides clarification of the sponsor requirements. Ms. Peters and Ms. Walker

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of the VSCPA expressed some concern regarding this policy. Following a comprehensive discussion the members revised the proposed policy verbiage. Upon a motion by Ms. Saunders and duly seconded, the VBOA by unanimous vote approved Board Policy #2 as amended. The members voting “**AYE**” were Mr. Dickerson, Ms. Kilmer, Mr. Moyers, Ms. Saunders, Mr. Bradshaw, and Dr. Cochran.

3) Substantially Equivalent Jurisdictions – Historically the Board has accepted the jurisdictions as approved by NASBA as substantially equivalent. This policy does not restrict or limit the current policy, it is meant to identify and address the requirements as outlined in the Uniform Accountancy Act (UAA), under Section 23. Following a comprehensive discussion the members revised the proposed verbiage. Upon a motion by Ms. Kilmer and duly seconded, the VBOA by unanimous vote approved Board Policy #3 as amended. The members voting “**AYE**” were Mr. Dickerson, Ms. Kilmer, Mr. Moyers, Ms. Saunders, Mr. Bradshaw, and Dr. Cochran.

4) Unlicensed Owners of Firms – No action was taken. This item was deferred to a later meeting.

5) Publication of Board Disciplinary Action – No changes have been made to this policy since it was voted on and approved unanimously at the November 2, 2011 meeting. Ms. Kilmer was not in the room and did not vote. Upon a motion by Mr. Bradshaw and duly seconded, the VBOA by unanimous vote approved Board Policy #5 as proposed. The members voting “**AYE**” were Mr. Dickerson, Mr. Moyers, Ms. Saunders, Mr. Bradshaw, and Dr. Cochran.

6) CPA Examination - Upon the recommendation by Chairman Dickerson, the members agreed to table the motion to approve the policy and return the policy to Mr. Jewell to complete further research and edits.

ADDITIONAL ITEMS FOR DISCUSSION

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

The Board members briefly discussed the possibility of inviting Virginia educators to the November meeting following conversations between Ms. Kilmer and Doug Ziegenfuss, Chair and Professor, Department of Accounting, Old Dominion University. Chairman Dickerson asked the Board’s educator member, Dr. Cochran, to contact Professor Ziegenfuss to discuss this possibility and an agenda for such a meeting.

FUTURE MEETING DATES

November 13, 2012 – Virginia State University (**Please Note:** Time change, meeting to begin at 9:00 am)
January 8, 2013

BEGIN CLOSED MEETING

Upon a motion by Ms. Kilmer, 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 the status of open Enforcement cases, and case #2012-U0011 regarding disciplinary matters relating to enforcement cases 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: Joshua Lief, Senior Assistant Attorney General, Wade A. Jewell, Executive Director, Jean Grant, Enforcement Manager, and Dreana L. Gilliam,

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Board Administrator. The members voting “**AYE**” were Mr. Dickerson, Ms. Kilmer, Ms. Saunders, Mr. Moyers, Mr. Bradshaw, and Dr. Cochran.

END CLOSED MEETING

Upon a motion by Mr. Bradshaw, 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:

Tyrone E. Dickerson, CPA – Aye
Andrea M. Kilmer, CPA, CFF – Not Present/Did Not Vote
Robert Cochran, Ph.D., CPA – Aye
W. Barclay Bradshaw, CPA – Aye
Regina P. Brayboy, MPA, MBA – Absent
Marc Moyers, CPA - Aye
Stephanie Saunders, CPA - Aye

VOTE

AYES: Five (5)
NAYS: None.

The following actions were taken as a result of the closed sessions:

Case #2012-U0011 Tedla (*Kilmer*)

Ms. Kilmer was not present and did not participate in this discussion (or subsequent vote).

In the matter of Case #2012-U0011 (Tedla), Mr. Tedla was not present nor represented by counsel.

Upon a motion by Mr. Bradshaw and duly seconded the members agreed to accept the Consent Order as written, which includes the following terms and conditions: Tedla shall not practice as a CPA or use the CPA designation until he has been granted a CPA license by the VBOA; Immediate removal of the CPA designation from all signage, business cards, business stationery, newspaper or Internet ads, business emails, software and any other materials; Payment of an administrative fee of \$500; and, Submission of a 1,000 word essay on the use of the CPA designation and why the requirement to be licensed as a CPA is important.

CALL FOR VOTE:

Tyrone E. Dickerson, CPA – Aye
Andrea M. Kilmer, CPA, CFF – Not Present/Did Not Vote
Robert Cochran, Ph.D., CPA – Aye
W. Barclay Bradshaw, CPA – Aye

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Regina P. Brayboy, MPA, MBA – Absent
Marc Moyers, CPA - Aye
Stephanie Saunders, CPA - Aye

VOTE

AYES: Five (5)

NAYS: None.

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 2:38 p.m. The members voting “**AYE**” were Mr. Dickerson, Dr. Cochran, Ms. Saunders, Mr. Moyers, and Mr. Bradshaw.

APPROVED:

Tyrone E. Dickerson, CPA, Chairman

COPY TESTE:

Wade A. Jewell, Executive Director