

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Wednesday, June 30, 2010 in Board Room 4 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
William E. Hunt, Jr., CPA
Stephen D. Holton, CPA

MEMBERS PRESENT FOR A PORTION OF THE MEETING: Regina P. Brayboy, MPA, MBA (via teleconference)

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

PRESENT FOR A PORTION OF THE MEETING: Cynthia H. Norwood, Senior Assistant Attorney General
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants
Darshae Dabney, Peer Review Administrator, Virginia Society of Certified Public Accountants
James Walker, CPA, Immediate Past Chairman, Virginia Society of Certified Public Accountants
Bradford R. Jones, CPA, Board Chairman, Virginia Society of Certified Public Accountants
Deborah Rigdon, Manager, Shared Services Center, Department of Human Resource Management

OTHERS PRESENT: None

CALL TO ORDER

Chairman Broome 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 June 30, 2010 agenda with amendments. The members voting “**AYE**” were Mr. Holton, Ms. Calderone, Mr. Samuel, Mr. Dickerson, Mr. Hunt, and Dr. Broome.

APPROVAL OF MEETING MINUTES

Upon a motion by Ms. Calderone and duly seconded, the members voted unanimously to approve the April 23, 2010 meeting minutes.

Upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the May 21, 2010 meeting minutes.

ELECTION of OFFICERS

On behalf of the Chair and the Past Chair, Chairman Broome presented Mr. Dickerson for Chairman and Mr. Hunt for Vice Chairman for the fiscal year beginning July 1, 2010.

Upon a motion by Dr. Broome and duly seconded, the Board by unanimous vote approved the motion to elect Mr. Dickerson as Board Chairman and Mr. Hunt as Vice Chairman. The members voting “**AYE**” were Dr. Broome, Ms. Calderone, Mr. Samuel, and Mr. Holton.

PUBLIC COMMENT

Members of the public were in attendance and were asked to introduce themselves. No public comment was made at this time.

BOARD MEMBER/COMMITTEE UPDATES

Ms. Calderone, as chair of the Communications Committee, provided meeting minutes for review and led the discussion of the committee meeting held on June 28, 2010. Twelve committee members were present, plus staff. The meeting focused on the most efficient and effective means of communication with students, educators, CPA exam candidates, applicants for licensure and licensees. The members discussed recommendations based on feedback received from the committee members. Prior to the public unveiling of the revised VBOA website, the committee members will review and make recommendations. In addition, the committee members will review the one page summary of CPE requirements and make recommendations.

Mr. Hunt led the discussion regarding the adoption of a VBOA Peer Review Oversight Committee (PROC). He provided a draft document for review and an overview of the material.

Ms. Walker recommended a minor revision of the verbiage to Section IV; subsection (B) (ii), which was accepted.

Following a discussion, upon a motion by Mr. Hunt and duly seconded, the Board by unanimous vote approved the adoption of the VBOA PROC policy effective July 1, 2010 as modified by the suggested changes. The members voting “**AYE**” were Dr. Broome, Ms. Calderone, Mr. Samuel, Mr. Holton, Mr. Hunt, and Mr. Dickerson.

Mr. Hunt nominated Samuel E. Johnson, CPA as chair of the VBOA PROC Committee.

Following a discussion of the nomination/selection process among the Board, the Executive Director and representatives of the VSCPA, the members agreed to implement a 30-day vetting process for nominations. Mr. Hunt and Mr. Jewell will develop the correspondence to notify interested individuals. The members will vote at the July 27, 2010 meeting.

Mr. Samuel and Mr. Jewell provided an update on Phase 1 of the VBOA website redesign. Development of the new and improved VBOA website continues. No issues have arisen at this time. Ms. Norwood advised the members that a statute is already in place to accept electronic signatures. However, VBOA will need to implement a policy to address any issues that may occur.

Mr. Jewell informed the Board that the fast-track regulatory package was now residing with the Governor's Chief of Staff for approval. Upon approval Mr. Jewell will inform the Board of subsequent steps for promulgation.

Mr. Dickerson led the discussion of the NASBA Eastern Regional Meeting. He provided a summary of the meeting events and informed the members that overall the meeting dialogue was very good.

Dr. Broome provided an overview of the Tennessee State Board of Accountancy's response to the NASBA Search Committee's request for state boards to provide input regarding the qualifications of a new President and CEO of NASBA. The Tennessee State Board of Accountancy firmly believes that a Certified Public Accountant that possesses vision and integrity, as well as leadership skills and organizational ability, should fill the vacancy.

Dr. Broome also led the discussion regarding the significant changes that the Uniform CPA Examination will undergo effective January 1, 2011, and a recent "guide" that has been issued by the AICPA. Much of the website content is still under development. The VBOA may forward notification to educators this fall, following the AICPA's website update, in an effort to inform exam candidates of the upcoming changes.

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EXECUTIVE DIRECTORS REPORT

Mr. Jewell presented general updates regarding the VBOA.

- Mr. Jewell has attended two of the Governor's Commission on Reform and Restructuring meetings. He provided an overview of the Commission's goals and objectives. The Commission is divided into four committees: Government Simplification and Operations, Intergovernmental Relations, Customer Service, Performance, Accountability & Transparency, and Consolidation of Shared Services & Enterprise Architecture. He advised the members that additional information could be obtained by visiting www.reform.virginia.gov. Mr. Jewell will continue to attend relevant meetings and keep the Board apprised of any discussion regarding the VBOA. Mr. Jewell suggested that the Board be prepared to respond to the Commissions/Committees request for information/presentation on a very short notice.
- Mr. Jewell is currently in the process of preparing Phase I of an Economic Strategic Plan as required by the Secretary of Commerce & Trade. The deadline for submission is Saturday, July 10, 2010.
- Mr. Jewell advised the members that he attended the Wall of Honor ceremony last month and was very impressed with Ms. Norwood's efforts and work to make it happen.

- Mr. Jewell presented at the VSCPA Educator's Conference and reported that the attendees were very receptive to the VBOA suggested improvements to the communications processes.
- VBOA staff recently mailed over 1,100 letters to registered firms and Accounting Department Chairs announcing changes to the Uniform CPA Exam.
- Mr. Jewell continues working with Systems Automation (SA) to resolve the Internet browser issues. SA executives have invited Mr. Jewell to meet with them in July or August. The browser issue should be resolved by the next release (by the end of the calendar year). He will also contact the Washington Board of Accountancy to obtain an update regarding their recently installed new licensing system.
- To address a system malfunction that apparently occurred several years ago, Board staff contacted approximately 950 licensees with issue dates of "11/17/1858" and requested that they reply to the email notification and provide their original date of licensure. Approximately 650 responses have been received.
- The new performance measures submitted to the state will be effective July 1, 2010.
- Effective July 1, 2010, all state agencies are required to include a link to Datapoint on their websites. Datapoint provides detailed information regarding state agency expenditures. Mr. Jewell indicated that the VBOA's website had been updated.
- NASBA has sponsored a forum to modify CPE sponsor standards. The changes to the process are being made in an attempt to become paperless, in addition to other modifications.
- Dr. Broome provided an overview of the NASBA response to the PCAOB Supreme Court ruling.
- Mr. Jewell inquired into whether the Board had previously approved an annual extension to obtain CPE through January of the following calendar year. The Board recalled approving such a policy. Ms. Gilliam was to try and find the approval through previous minutes.

Mr. Jewell provided detailed explanations and copies of the May and June (preliminary) Financial Report and the May Board Report (previously referred to as Flash Report).

Mr. Jewell led the discussion regarding NASBA's Accountancy Licensee Database (ALD). He has worked with NASBA and Ms. Norwood to obtain a modified MOU. Ms. Norwood has reviewed the documents and given her approval with suggested changes. Mr. Jewell will forward the proposed MOU to NASBA for approval. If NASBA is in agreement with the proposed MOU, the VBOA is in favor of approving participation in the ALD with NASBA (with initial information provided to correspond with only the information as it appears in the VBOA "CPA Lookup"). The members will review the MOU after NASBA's acceptance and vote at an upcoming meeting.

Future agenda items will include but are not limited to addressing Board policies, the VBOA website, fees, and the 2011 Ethics Outline.

Mr. Jewell provided a detailed explanation and a handout of the Proposed FY11 VBOA Budget for review. Mr. Jewell informed the members that Governor McDonnell and the General Assembly provided for a one-time 3% state employee bonus effective December 1, 2010 in the event of a specified revenue surplus. If the surplus is available, the VBOA will assume responsibility for the bonus. The tentative bonus has been incorporated into the FY11 proposed budget. Upon a motion by Ms. Calderone and duly seconded, the Board by unanimous vote approved the motion to approve the FY11 Budget. The members voting "AYE" were Dr. Broome, Mr. Dickerson, Ms. Calderone, Mr. Samuel, Mr. Holton, and Mr. Hunt.

ADDITIONAL ITEMS FOR DISCUSSION

Mr. Jewell led the discussion regarding the posting of VBOA Enforcement Case findings on the website. Following a comprehensive review of handouts reflecting how other boards of accountancy document violations, the members were most favorably impressed with Washington State's approach. The Enforcement Committee will present formal recommendations at a future meeting.

Mr. Holton led the discussion regarding proposed fee increases. The focus of the discussion was to gain consensus on key concepts that support a fee increase. A presentation and the first draft of the regulatory package will be available for review at the July meeting. The vote on the final regulatory proposal package will be held at the August meeting. Future meeting dates were determined during the conversation.

Mr. Dickerson presented Dr. Broome with a plaque and thanked him for his loyal service as the VBOA chair for the past year. Dr. Broome thanked the members and staff for their dedication and hard work. In addition, he thanked the VSCPA for their support.

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, 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-members were in attendance to reasonably aid the consideration of the topic: Deborah Rigdon, Manager, Shared Services Center, Department of Human Resource Management, and Wade A. Jewell, Executive Director (only in attendance for a portion of closed meeting).

The members voting "AYE" were Mr. Dickerson, Mr. Samuel, Mr. Hunt, Ms. Calderone, Mr. Holton, and Dr. Broome.

Ms. Brayboy participated in the closed session via teleconference.
Due to a scheduling conflict, Mr. Dickerson left prior to the end of the closed session.

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, Ms. Calderone, Ms. Brayboy, Mr. Holton, and Dr. Broome.

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 – No Vote
Stephen D. Holton, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye (via teleconference)
William E. Hunt, Jr., CPA – Aye

VOTE

AYES: Six (6)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson.

ABSENT DURING MEETING: None.

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

FUTURE MEETING DATES

Tuesday, July 27, 2010 – 10 a.m.

Monday, August 16, 2010 – 10 a.m.

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

Chairman Broome 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 Dr. Broome and duly seconded, the meeting was adjourned by unanimous vote at 5:27 p.m. The members voting “**AYE**” were Ms. Calderone, Mr. Holton, Mr. Samuel, Mr. Hunt, and Dr. Broome.

APPROVED:

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

COPY TESTE:

Wade A. Jewell, Executive Director