

FINAL/APPROVED for December 7, 2011
THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Wednesday, December 7, 2011 in Board Room 4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Lawrence D. Samuel, CPA, Chairman
Regina P. Brayboy, MPA, MBA
Tyrone E. Dickerson, CPA, Immediate Past Chairman
Andrea M. Kilmer, CPA, CFF
W. Barclay Bradshaw, CPA
Robert J. Cochran, Ph.D., CPA

MEMBERS ABSENT: Dian T. Calderone, MTX, CPA, Vice Chairman

STAFF PRESENT: Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator
Chantal K. Scifres, Deputy Director
Jean Grant, Enforcement Manager
Lisa J. Carson, Communications & Training Director
Mary T. Charity, Licensing & Examinations Manager
Valeria S. Ribeiro-Quimpo, Fiscal Technician

LEGAL COUNSEL PRESENT: Joshua N. Lief, Senior Assistant Attorney General

PRESENT FOR A PORTION OF THE MEETING: Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Darshae Dabney, Peer Review Administrator, Virginia Society of Certified Public Accountants
James Walker, CPA
Roy D. Peters, CPA, Executive Committee Member, Virginia Society of Certified Public Accountants
April Gunn, CPA, CISA, Director, Auditor of Public Accounts

CALL TO ORDER

Chairman Samuel called the meeting to order at 11:16 a.m.

SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures.

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DETERMINATION OF QUORUM/APPROVAL OF AGENDA

After the declaration of a quorum by Mr. Samuel, upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the December 7, 2011 agenda with revisions. The members voting “**AYE**” were Ms. Kilmer, Mr. Dickerson, Ms. Brayboy, Mr. Samuel, Dr. Cochran, and Mr. Bradshaw.

APPROVAL OF MEETING MINUTES

Upon a motion by Mr. Bradshaw and duly seconded, the members voted unanimously to approve the November 2, 2011 meeting minutes as amended. The members voting “**AYE**” were Ms. Kilmer, Mr. Dickerson, Ms. Brayboy, Mr. Samuel, Dr. Cochran, and Mr. Bradshaw.

PUBLIC COMMENT PERIOD

Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants (VSCPA) provided an update regarding the potential legislative proposal to add the VSCPA to the VBOA statutes as an official nominating source for Board appointments. The VSCPA staff performed extensive research of the issue and as a result has decided not to pursue the issue at this time.

FY2011 APA AUDIT/ENTRANCE PRESENTATION

April Gunn, CPA, Director and Project Manager, Auditor of Public Accounts (APA) led the discussion regarding the VBOA annual audit (FY11). The FY11 audit (including a review of the financial statements) is scheduled to begin in the next couple of weeks. Ms. Gunn provided information regarding the roles and responsibilities in the audit process and the planned scope of the audit. Ms. Gunn advised fraud risks will be assessed by conducting interviews of the VBOA staff. Ms. Gunn anticipates the audit will be completed by the end of January 2012 and a report advising of any problems or issues can be available for presentation at the following Board meeting.

BOARD MEMBER/COMMITTEE UPDATES

Mr. Samuel, as Chair of the AICPA Board of Examiners (BOE) State Board Committee (SBC), reported that the BOE and SBC’s next meeting has been scheduled and will be held in Las Vegas, Nevada.

Effective January 1, 2011 CBT-e was released; this was the first revision to the computerized exam since implementation. CBT-e allowed for faster release of exam scores beginning with the fourth quarter of 2011. Under this improved score release schedule, CPA Exam scores will be released earlier and with more predictability.

Mr. Jewell led the discussion regarding Regulatory/Legislative updates. He reported that Mr. Samuel sent a letter to the Governor’s Counsel and Senior Policy Advisor, Jasen Eige, on November 22 regarding the status of the VBOA fee proposal. In addition, he spoke with Senator Walter Stosch regarding the status of our fee package. Senator Stosch is in support of the Board’s request for a fee increase and has also contacted the Governor’s Counsel and Senior Policy Advisor to express his support.

Ms. Kilmer, as the Chairman of the CPE Ethics Committee, led the discussion regarding the 2012 Ethics CPE outline. The 2012 Ethics Outline will include a handout addressing the types of services (specifically volunteer) that can and cannot be provided without obtaining firm licensure. Stephen D. Holton, CPA has provided the framework of the guidance necessary for Virginia licensees and course providers. Mr. Bradshaw has drafted a chart for use by licensees to determine, depending on their

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specific facts and circumstances, whether firm licensure and enrollment in a monitoring program is required. Mr. Samuel will proceed with Mr. Bradshaw, Mr. Jewell, and Mr. Holton to put the finishing touches on the handout for release to course providers.

Mr. Dickerson, as a member of the NASBA Enforcement Resource Committee, reported that its first meeting will be held on Monday, December 12, 2011 in Phoenix, AZ.

Mr. Samuel, as the liaison to the Peer Review Oversight Committee (PROC), reported that the PROC members will attend and present an overview of their work to date at the January 24, 2012 meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Jewell presented general updates regarding the VBOA.

- The browser issue still exists and Systems Automation has not provided a date resolution can be expected. Mr. Jewell, Ms. Scifres, and Ms. Charity are in conversation with a vendor that provides systems specifically for Board's of Accountancy. Beginning calendar year 2012, Ms. Scifres will begin drafting a Statement of Needs in preparation for issuing a RFP to potentially replace the existing computer system. Based on initial research the ease of use and flexibility of the new system seems feasible and the cost of the new system is expected to be the same as the current rate or less.
- The inaugural issue of the VBOA e-newsletter was sent to over 28,000 regulants (licensees and exam candidates). Lisa Carson, Communications and Training Director, has developed an external list of professional organizations and institutions of higher learning that she plans to send the newsletter link to within the next week. Ms. Carson read a few of the positive comments received from regulants following their review of the e-newsletter.
- The January 24, 2012 meeting will include annual Board member training (Freedom of Information Act and Conflict of Interest).
- Board Legal Counsel, Josh Lief drafted language regarding the confidentiality of financial information and Enforcement actions for potential revision to the FOIA statute. The VSCPA plans to submit the requested legislation. Ms. Walker reported that she has spoken with Senator Stosch regarding § 2.2-3705.3. Exclusions to application of chapter; records relating to administrative investigations of the Code of Virginia. The Code of Virginia would be revised to include the following exclusion; "confidential information, including tax returns, financial statements and other proprietary financial information provided to the Board of Accountancy by a complainant or in response to a complaint". She has been working with Delegate Christopher Peace to begin the process for introducing legislation. Delegate Mark Keam has also expressed interest in the legislation. The revision would include the withholding of tax returns and financial statements from FOIA requests of closed VBOA enforcement cases.
- Mr. Jewell suggested to the members that a photograph of the members should be taken annually. This year's annual photograph will be taken at the January 24 meeting.
- Licensing & Examinations Manager, Mary Charity led the discussion regarding the Pennsylvania State Board of Accountancy completing the steps to become substantially equivalent. Effective January 2012, Pennsylvania will become substantially equivalent and some licensees will be grandfathered in under the previous requirements for licensure. Following a discussion, the

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members agreed further discussion is necessary to determine how the VBOA should proceed. The issue will be discussed further at the January 24 meeting. Mr. Lief will research any potential issues that may arise regarding the issue of reciprocal licenses. He will work with Mr. Jewell and Ms. Charity to address any concerns raised.

- Mr. Jewell announced the following committee appointments with the AICPA and NASBA:
 - Wade Jewell – NASBA Executive Director’s Committee & Accounting Licensing Database Committee
 - Larry Samuel – AICPA Board of Examiners (Executive Committee) and State Board Committee of the Board of Examiners (Chair)
 - Tyrone Dickerson – NASBA Enforcement Resource Committee & Nominating Committee (Alternate)
 - Whit Broome (former Board member) – NASBA Education Committee & CBT Examination Administration Committee
 - Billy Hunt (former Board member) – State Board Relevance & Effectiveness Committee
 - Carole M. Hersch (former Board member) – NASBA CPE Committee

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EXECUTIVE DIRECTOR’S REPORT - *continued*

- Mr. Jewell provided copies and an overview of the October Financial and November Board Reports. A cash transfer from the Trust Account will be required to meet ongoing operating needs for the remainder of the fiscal year. He will work with Ms. Scifres to prepare a projection of cash needed to operate through June 30. An update regarding the funds transfer request will be presented at the January 24 meeting.
- Ms. Scifres and Mr. Jewell led the discussion regarding the draft Financial Statements. Ms. Scifres responded to inquiries presented by the members. Mr. Samuel advised that he has provided his comments for incorporation and requested that the members forward any recommendations for revision to Mr. Jewell as soon as possible. Mr. Jewell reported that minor revisions of the statements would be completed and will be forwarded to the APA for inclusion in the annual audit processes.

ENFORCEMENT

Mr. Samuel led the discussion regarding the newly implemented tracking report to improve the monitoring of enforcement processes. He advised that the comments received from Mr. Jasper Eanes at the last Board meeting were taken into consideration and the enhanced monitoring procedures were implemented prior to the November 2, 2011 Board meeting. The tracking report will identify the status of all open enforcement cases and will be presented at each Board meeting. In addition, the enforcement process, to include the Informal Fact Finding process, is being reviewed for other opportunities for improvement.

BEGIN CLOSED MEETING

Upon a motion by Mr. Dickerson, 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 Enforcement cases #2011-D0008, #2011-U0009, #2011-U0006,

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#2011-D0004, and #2011-E0005 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: Jean Grant, Enforcement Manager, Joshua Lief, Senior Assistant Attorney General, Wade A. Jewell, Executive Director, and Dreana L. Gilliam, Board Administrator. The members voting “AYE” were Mr. Samuel, Ms. Kilmer, Mr. Dickerson, Dr. Cochran, Mr. Bradshaw, and Ms. Brayboy.

END CLOSED MEETING

Upon a motion by Mr. Dickerson, 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 – ABSENT
Robert Cochran, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
W. Barclay Bradshaw, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Not Present/No Vote

VOTE

AYES: Five (5)
NAYS: None.

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

Case #2011-D0008 Ferrara (*Calderone & Kilmer*)

Ms. Calderone was absent for the entire meeting and Ms. Kilmer was not present and did not participate in this discussion (or subsequent vote).

In the matter of Case #2011-D0008 (Ferrara), Ms. Ferrara was not present nor represented by counsel.

Upon a motion by Mr. Dickerson and duly seconded the members agreed to accept the Consent Order as presented.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – ABSENT
Robert Cochran, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye

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Tyrone E. Dickerson, CPA – Aye
W. Barclay Bradshaw, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Not Present/No Vote

VOTE

AYES: Five (5)

NAYS: None.

Case #2011-U0009 Campbell (*Calderone & Kilmer*)

Ms. Calderone was absent for the entire meeting and Ms. Kilmer was not present and did not participate in this discussion (or subsequent vote).

In the matter of Case #2011-U0009 (Campbell), Mr. Campbell was not present nor represented by counsel at the time of Board discussion.

Upon a motion by Mr. Bradshaw and duly seconded the members agreed to accept the Consent Order as presented.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – ABSENT
Robert Cochran, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
W. Barclay Bradshaw, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Not Present/No Vote

VOTE

AYES: Five (5)

NAYS: None.

Case#2011-U0006 Beeks (*Calderone & Kilmer*)

Ms. Calderone was absent for the entire meeting and Ms. Kilmer was not present and did not participate in this discussion (or subsequent vote).

In the matter of Case #2011-U0006 (Beeks), Mr. Beeks was not present nor represented by counsel.

Upon a motion by Mr. Bradshaw and duly seconded, the board by unanimous vote amended the presiding officers recommendation and increased the monetary penalty due to the severity of the violation and the potential harm to the public.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – ABSENT
Robert Cochran, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
W. Barclay Bradshaw, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – Not Present/No Vote

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VOTE

AYES: Five (5)

NAYS: None.

Case#2011-D0004 Edley (*Calderone & Kilmer*)

Ms. Calderone was absent for the entire meeting and Ms. Kilmer was not present and did not participate in this discussion (or subsequent vote).

In the matter of Case #2011-D0004 (Edley), Mr. Edley was not present nor represented by counsel.

Upon a motion by Mr. Cochran and duly seconded, the board by unanimous vote amended the presiding officers recommendation and increased the suspension of licensure due to the severity of the violation and the potential harm to the public.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – ABSENT

Robert Cochran, Ph.D., CPA – Aye

Lawrence D. Samuel, CPA – Aye

Tyrone E. Dickerson, CPA – Aye

W. Barclay Bradshaw, CPA – Aye

Regina P. Brayboy, MPA, MBA – Aye

Andrea M. Kilmer, CPA, CFF – Not Present/No Vote

VOTE

AYES: Five (5)

NAYS: None.

Case#2011-E0005 Gordon (*Calderone & Kilmer*)

Ms. Calderone was absent for the entire meeting and Ms. Kilmer was not present and did not participate in this discussion (or subsequent vote).

In the matter of Case #2011-E0005 (Gordon), Mr. Gordon was not present nor represented by counsel.

Upon a motion by Mr. Dickerson and duly seconded the members agreed to accept the presiding officers recommendation as presented.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – ABSENT

Robert Cochran, Ph.D., CPA – Aye

Lawrence D. Samuel, CPA – Aye

Tyrone E. Dickerson, CPA – Aye

W. Barclay Bradshaw, CPA – Aye

Regina P. Brayboy, MPA, MBA – Aye

Andrea M. Kilmer, CPA, CFF – Not Present/No Vote

VOTE

AYES: Five (5)

NAYS: None.

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FUTURE MEETING DATES

To be determined at the January 24, 2012 Board meeting.

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

Chairman Samuel 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. Samuel and duly seconded, the meeting was adjourned by unanimous vote at 2:46 p.m. The members voting “**AYE**” were Mr. Dickerson, Mr. Samuel, Ms. Kilmer, Ms. Brayboy, Mr. Bradshaw, and Dr. Cochran.

APPROVED:

Lawrence D. Samuel, CPA, Chairman

COPY TESTE:

Wade A. Jewell, Executive Director