

**THE VIRGINIA BOARD OF ACCOUNTANCY
Annual Ethics Committee Meeting**

The Virginia Board of Accountancy (Board) held its annual Ethics Committee Meeting at 10:00 am on Wednesday, October 10, 2012 in Board Room #2 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

The following Committee members were present:

Stephanie Saunders, CPA, Board Liaison/Committee Chairman
John Ireland, CPA
Esther Ko, CPA
Elizabeth Oliver, CPA
Don Pallais, CPA
Hartwell Philips, CPA

The Board staff members present were:

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

Also in attendance for the entire meeting was:

Linda Newsom, Education Director, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Saunders called the meeting to order at 10:05 am. She welcomed the members of the committee, VBOA staff, and the members of the public. She also thanked the committee members for their participation and willingness to serve. She then asked those in attendance to introduce themselves. Following the welcome and introductions Mr. Jewell also thanked the committee members for attending the meeting and their willingness to participate on this important committee.

Ms. Saunders polled the members for any additions or revisions to the agenda. No additions/revisions were declared. She then turned the floor over to Mr. Jewell.

Mr. Jewell provided an overview of Board member composition and terms, Board staff organization, and the VBOA placement in state government. He then provided an overview of the Freedom of Information Act (FOIA) meeting requirements, stressed the importance of transparency of agency functions, and expense reimbursement processes.

2013 ETHICS COMMITTEE'S CHARGE

Ms. Saunders led the discussion regarding the committee's charge. The committee meets annually for the purpose of developing the VBOA annual Ethics CPE outline. Utilizing the ideas and suggestions of the members a draft outline is constructed and presented to the full Board for approval. The goal is to have the FY13 draft outline ready for presentation at the VBOA November 13 meeting.

Ms. Saunders recommended that the members to take a few minutes to review the 2010, 2011, and 2012 ethics outlines. She then opened the floor for member comments regarding topics for the 2013 Ethics outline. A handout of the summary of topics for inclusion as provided by the committee members was reviewed and discussed in detail.

Following a comprehensive discussion, the members agreed the primary learning objective for the outline was to address issues relevant to Virginia CPAs providing services to the public or to an employer (industry). Primary topics discussed and approved for inclusion in the 2013 Ethic outline were a "Top 10" list of issues affecting Virginia CPAs and other Hot Button items important to the profession.

Ms. Saunders requested comments/feedback on the FY2012 course from the VSCPA staff and members of the committee. Ms. Newsom reported that the FY2012 course was well received. She reported that many commented that they liked the Top 10 approach and that it covered a variety of topics relevant to those in public as well as industry. Overall the course has been described as well-rounded and was well received. Ms. Walker reported that she recently attended the course for the first time. She also reported that the Top 10 list was a good overview of information. Ms. Saunders reported that as a course instructor the volunteerism piece generated a lot of questions. In addition, she also felt the Top 10 list covered a variety of topics and the case studies generated good conversations. Mr. Ireland reported that the FY2012 course was the best he has attended. The course encapsulated everything the committee recommended. He especially liked the video which included Mr. Samuel and Mr. Jewell. He felt it added gravitas to the course. Ms. Oliver, Mr. Pallais, and Mr. Philips have not taken the course to date. Ms. Ko reported that she is licensed in four (4) different states which require ethics CPE and she prefers the Virginia course.

DEVELOP FY2013 OUTLINE

Mr. Jewell led the discussion regarding enforcement issues/sanctions, browser/renewal issues, electronic CPE reporting and proposed legislation. Following a comprehensive discussion the members formulated a list of FY2013 ideas for the outline.

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DEVELOP FY2013 OUTLINE - *continued*

Ms. Saunders provided a review of the FY13 Ethics CPE Primary topics and the Top 10 list as agreed upon by the committee. She advised the members that information was readily available for some of the topics; however, some assistance would be necessary by members of the committee for others.

ADDITIONAL ITEMS FOR DISCUSSION

Mr. Jewell provided copies of the fee schedule and the article published by the VSCPA addressing fee increase FAQs. He provided an overview of the proposed fee increase. We are currently in the third stage of the regulatory process. The Public comment period ends on November 7, 2012. Mr. Jewell thanked the VSCPA for getting the word out and being as professionally supportive as they could be considering the circumstances. The Society did a wonderful job informing its members of the importance and timing of the Board's proposed regulatory changes.

NEXT STEPS

Following the meeting, Mr. Jewell and Ms. Gilliam will develop the format for the outline, relevant materials and then submit the information to the members for comment. The members will respond with comments and suggestions by October 30. The full board will also have to approve the outline and it is our goal to make the outline available for review at the November 13 meeting. Following full board approval the outline will be posted on the VBOA website for Virginia licensed CPAs and CPE sponsors offering the course.

TRAVEL EXPENSE VOUCHERS

Ms. Saunders asked the members to complete and sign their travel expense vouchers.

ADJOURNMENT

There being no further business before the VBOA Ethics CPE Committee, the meeting was adjourned at 1:05 pm.

APPROVED:

Stephanie Saunders, Committee Chairman

COPY TESTE:

Wade Jewell, Executive Director