

THE VIRGINIA BOARD OF ACCOUNTANCY

MEETING MINUTES

The Virginia Board of Accountancy (Board) met on Tuesday, July 31, 2007, in the Stuart/Leigh Room of the Richmond Marriott West, 4240 Dominion Boulevard, Glen Allen, Virginia 23060.

The following Board members present for the entire meeting were:

Lawrence D. Samuel, CPA, Chairman
Stephen D. Holton, CPA, Immediate Past Chairman
O. Whitfield Broome, Ph.D., CPA
Regina P. Brayboy, MPA
Tyrone E. Dickerson, CPA
William E. Hunt, CPA

The following Board member absent for the entire meeting was:

Dian T. Calderone, MTX, CPA, Vice Chairman

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director/Agency Head
Katherine Idrissi, Special Assistant to the Executive Director
Dreana L. Gilliam, Licensing and Examination Coordinator
Jean Grant, Enforcement Manager/Investigator

Also in attendance for the meeting was:

Cynthia H. Norwood, Assistant Attorney General

In attendance for a portion of the meeting were:

Stephanie Peters, President and CEO, Virginia Society of Certified Public Accountants
Emily Walker, Grassroots & Regulatory Specialist, Virginia Society of Certified Public Accountants

Gregory Estep, CPA

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

Call to Order

Chairman Samuel determined that a quorum was present.

Determination of Quorum

Upon a motion by Mr. Samuel, and seconded by Dickerson, the Board by unanimous vote approved the agenda as amended. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt.

Approval of Agenda

The Board’s Final Agenda was as follows:

Call to Order
Determination of Quorum
Approval of Agenda
Public Comment Period

A. Consent Agenda
a. Minutes

B. Board Reports

1. Legislative/Regulatory:

Stephen D. Holton, CPA, Immediate Past Chairman

- a. Review of Public Comments and Approval of Proposed Regulation-CPA Exam Education Deadline
- b. Regulatory Review Update

2. BOA Trust Account Policy – Steve Holton

3. Proposed Amnesty Program

Recess for Board Lunch

C. Introduction and Recognition – Amigo Wade

Reconvene

D. Board Reports (cont’d):

2. Enforcement

Steve Holton, CPA Immediate Past Chairman

a. Final Board Orders:

- (1) File Number 2006-D13 (Gregory Estep)
(Calderone & Dickerson)
- (2) File Number 2006-PR01 (Biswahjit Dahr)
(Calderone & Dickerson)

- (3) File Number 2005-D13 (KPMG)
- b. Consent Orders:
 - (1) File Number 2006-U02 (George Nearhood)
(Calderone & Dickerson)

E. Additional Discussion Topics – Nancy T. Feldman, Executive Director

- a. Accounting Ethics Question
- b. Examination Review Board (ERB) Report

F. NASBA Annual Meeting (October 28-31, 2007)

G. Future Meeting Dates

The members agreed to move up this item in the agenda.

H. Sign Conflict of Interests Forms

Complete Travel Expense Vouchers

Adjournment

Tour of new board office

With no members of the public having comments, Chairman Samuel moved to the next item of business.

Upon a motion by Mr. Holton, and seconded by Mr. Hunt, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on June 27, 2007. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Ms. Brayboy, Mr. Hunt and Mr. Dickerson.

Mr. Holton led the discussion about the Proposed Regulation revisions. The revised statutes will serve as a foundation for the proposed regulatory revisions. If a statute stands on its own, no regulation is required. In addition, statutes trump the regulations. A preliminary review of the regulations indicates that a significant reduction (i.e., definitions could be removed) is possible. Input obtained from each Board member will assist in the creation of the draft. Mr. Holton will challenge each observation to determine the need for revision and will bring the first draft to the October board meeting. Mr. Holton and Mr. Samuel will write an article to talk about the approach and progress with the statutes and regulations.

Mr. Holton led the discussion regarding the BOA Trust Account. Mr. Holton will meet with Ms. Calderone to revise the wording and will present the revised version at the next Board meeting.

Jean Grant led the discussion regarding the Proposed Amnesty

**Public Comment
Period**

A. Consent Agenda

**B. Board Reports:
Legislative -
Regulatory**

BOA Trust Account

Proposed Amnesty

Program. Information regarding the program will be placed on the Board's website. An executive summary will be added to advise of the six month timeframe which allows for reinstatement without penalty. The word "negative" will be removed from the description of the Amnesty Program. The program only applies to previously licensed CPAs, and all CPE requirements must be current. The text will clearly state Amnesty is only in regard to the reinstatement fees and all other regulations are applicable. Ms. Norwood will check on the legality of this proposal and also with the Department of Taxation to determine a benchmark. The revisions will be completed and presented at the next Board meeting.

The members agreed to move up this item in the agenda.

Future meetings will be held at the Perimeter Center in board rooms located on the 2nd floor.

The Board confirmed the dates for future meetings: (1) Tuesday, October 9, in Board Room 4. (2) Wednesday, December 12, in Board Room 3. (3) Tuesday, January 8, in Board Room 3 (**meet if necessary*). (4) Wednesday, April 30, 2008. (5) Wednesday, June 18, 2008.

Mr. Holton acknowledged the outstanding services provided by Amigo D. Wade to the Board and he was presented with a plaque. The Board recessed from 12:00 p.m. to 1:00 p.m. for lunch

The meeting was reconvened at 1:00 p.m.

Mr. Estep was present and gave a brief statement in which he commented that he would abide by the ruling of the board.

Ms. Grant provided an overview of the case. Upon a motion by Mr. Holton and seconded by Dr. Broome, the Board went into closed session.

Due to his involvement with this case, Mr. Dickerson left the room and did not participate in the discussion or vote. Ms. Calderone was absent from the entire meeting.

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board approved by unanimous vote that the meeting be recessed and

Program

C. Future Meeting Dates

Introduction and Recognition

Recess for Board Lunch

D. Board Reports (con't):

2. Enforcement – Dian T. Calderone CPA, Committee Chairman

a. Final Board Orders:

(1): File Number 2006-D13 (Gregory Estep) Dickerson)

Begin Closed Meeting

that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Ms. Feldman, Ms. Idrissi, Ms. Grant, Ms. Norwood, and Ms. Gilliam. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Dickerson and Ms. Calderone were not present and did not vote.

This motion is made with respect to the matter identified as agenda item: D. Final Board Order: File Number 2006-D13.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Ms. Brayboy, and Mr. Hunt. Mr. Dickerson and Ms. Calderone were not present and did not vote.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy 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 Board of Accountancy.

Mr. Dickerson and Mr. Estep were notified the meeting was reconvening as an open public meeting.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye
Stephen D. Holton, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Not Present
Tyrone E. Dickerson, CPA – No Vote
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson

ABSENT DURING MEETING: Ms. Calderone

Mr. Holton made a motion to accept the recommendation of the presiding officer and it was seconded by Dr. Broome. Chairman Samuel discussed with Estep the importance of discontinuing the use of the CPA title and removing all signage during the period of license suspension so there would be no misunderstanding that the CPA title cannot be used in any manner during the license suspension. Mr. Estep thanked the Board and left.

In the matter of **File Number 2007-PR01 (Biswahjit Dahr)**, Mr. Dahr was not present nor represented by legal counsel. However, Mr. Dahr did provide a letter to the board which was distributed by Ms. Grant.

In the matter of **File Number 2007-U02 (George Nearhood)**, Mr. Nearhood was not present, nor represented by legal counsel.

**Consent Order: File
Number 2007-U02
(George Nearhood)
(Calderone &
Dickerson) File
Number 2005-D13**

Ms. Grant provided an overview of both cases. Upon a motion by Mr. Holton and seconded by Dr. Broome, the Board went into closed session.

**Begin Closed
Meeting**

The Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the

jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Ms. Feldman, Ms. Idrissi, Ms. Grant, Ms. Norwood, and Ms. Gilliam. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Dickerson and Ms. Calderone were not present and did not vote.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Ms. Brayboy, and Mr. Hunt. Mr. Dickerson and Ms. Calderone were not present and did not vote.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board made the following certification:

WHEREAS, § 2.2-3712.a of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of

Accountancy 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 Board of Accountancy.

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson

ABSENT DURING MEETING: Ms. Calderone

Mr. Dickerson is notified the meeting reconvening as an open public meeting.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye
Stephen D. Holton, CPA – Aye
O. Whitfield Broome, Ph.D, CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Not Present
Tyrone E. Dickerson, CPA – No Vote
William E. Hunt, CPA – Aye

On **File Number 2007-PR01**, Holton made a motion to close the matter and take no action based on the belief that there is continued confusion among the regulant population about the requirements for peer review for pro-bono work. The motion was seconded by Ms. Brayboy. The board indicated that a message should be sent to all regulants clarifying the peer review requirements for pro-bono work.

This motion is made with respect to the matter identified as agenda item: D. Final Board Order: File Number 2007-PR01.

On **File Number 2007-U02**, Mr. Holton made a motion to accept the Consent Agreement and it was seconded by Dr. Broome.

This motion is made with respect to the matter identified as agenda item: D. Final Board Order: File Number 2006-U02.

In the matter of **File Number 2005-D13 (KPMG)**, No representatives from KPMG were present nor legal counsel for KPMG present.

(KPMG)
(Calderone &
Samuel)

Ms. Norwood provided an overview of the case. KPMG agreed to have “monetary penalty” included in the text of the Consent

Mr. Holton made a motion to accept the consent agreement and it was seconded by Mr. Dickerson. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Hunt, and Mr. Dickerson. Mr. Samuel was not present and did not vote.

Chairman Samuel advised approval for three board members to attend has been granted.

E. NASBA Annual Meeting (October 28-31, 2007) Goals for Board Improvement

Chairman Samuel recommended each member of the Board become more “active” whether they sit on an official committee or not. His goal is to develop the Board’s processes.

Board Member Assignments:

Chairman Samuel and Immediate Past Chair Holton will work on a new regulatory proposal.

Ms. Brayboy will work on administrative and personnel matters. Ms. Calderone (Chair) and Mr. Dickerson will serve as the Enforcement Committee for disciplinary and eligibility issues except education.

Dr. Broome (Chair) and Mr. Hunt will serve as the Enforcement Committee for eligibility issues involving education.

Dr. Broome will work on other education matters.

Mr. Hunt will conduct two announced and/or unannounced visits to the board office to review and understand processes that are currently in place. Upon completion he will report the findings to the board. In addition, Mr. Hunt will work with all of the committees as an additional resource.

Additional Goals for 2007-2008:

Promulgation of New Regulations

Move to the Perimeter Center

IT Transition [from Seat Management to VITA/Northrup Grummond)

Agency Head Succession Plan

Interaction Plan with Members of the Public and Regulants

Ms. Feldman requested each member of the board to review the Questionnaire For Licensing Administrators received by Professor George Jackson of the Walter R. Davis School of Business and Economics. The purpose of the questionnaire was to obtain the board’s input regarding accounting ethics courses utilizing the ranking system provided by Mr. Jackson. The rankings were as follows:

F. Additional Discussion Topics – Nancy T. Feldman Executive Director
a. Accounting Ethics Question
b. Examination Review Board (ERB) Report

Topics:

Corporate Culture/Importance of the Ethical Environment

Ethics Rules/Professional Codes of Conduct

Moral Reasoning/Ethical Theories

Recognizing & Responding to an Impending Ethical Crisis

Dr. Broome led the discussion regarding the CPA Exam Review Board's (ERB) findings, conclusion, and recommendations of the "Paste" issue. The Board of Examiners has reviewed, identified, and repaired the problem.

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

With no further business coming before the Board, upon a motion by, Ms. Brayboy and seconded by Mr. Dickerson, the meeting was adjourned by unanimous vote at 3:02 p.m. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Mr. Hunt and Mr. Dickerson.

Board members met at 9960 Mayland Drive – Suite 402 to tour new Board facility.

**Conflict of
Interests Forms/
Travel Expense
Vouchers
Adjournment/Tour
of Perimeter Center**

APPROVED:

Lawrence D. Samuel, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director/Agency Head