

**THE VIRGINIA BOARD OF ACCOUNTANCY
MEETING MINUTES**

The Virginia Board of Accountancy (Board) met on Wednesday April 30, 2008, in Board Room 3 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

The following Board members present for the entire meeting were:

Lawrence D. Samuel, CPA, Chairman
Dian T. Calderone, MTX, CPA, Vice Chairman
Stephen D. Holton, CPA, Immediate Past Chairman
O. Whitfield Broome, Ph.D., CPA
Regina P. Brayboy, MPA
Tyrone E. Dickerson, CPA

The following Board members absent for the entire meeting were:

William E. Hunt, CPA

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

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
Marshall A. Handy, CPA – Roger L. Handy, P.C.
Maureen Dings, Virginia Society of Certified Public Accountants
Pamela Kamalakkannan, BOA
Kathryn Pegram
Lathalia Cypress
Thomasina Cunningham
Jim Holland
Deborah Harris, Enforcement Specialist/Investigator
Jean Grant, Enforcement Manager/Investigator
Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants
Rebecca McCoy, CPA, Vice Chair Virginia Society of Certified Public Accountants Board of Directors
Jennifer Eggleston, Project Manager, Auditor of Public Accounts
Karen Ashby, Auditor, Auditor of Public Accounts
Craig Mills, Executive Director, AICPA Examinations Team

Security Briefing
Chairman Samuel called the meeting to order at 9:06 a.m.

Katherine Idrissi
Call to Order

Chairman Samuel determined that a quorum was present.

Determination of
Quorum

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

Approval of
Agenda

Security Briefing – ***Katherine Idrissi, Special Assistant***

9:00 a.m. Call to Order – ***Lawrence D. Samuel, CPA, Chairman***
Determination of Quorum
Approval of Agenda
Public Comment Period

9:05 a.m. 2007 APA Audit /Exit Interview – ***Jennifer Eggleston, Project Manager, Auditor of Public Accounts***

9:20 a.m. **Consent Agenda**
1. Board Minutes – December 12, 2007
2. Board Minutes – January 8, 2008

10:00 a.m. **Board Reports:**
3. Exam Issues – ***Craig Mills, Executive Director of the AICPA Examinations Team***

10:50 a.m. 4. Future Meeting Dates – ***Lawrence D. Samuel, CPA, Chairman***
Board Retreat – May 15, 2008
Full Board – June 18, 2008

11:05 a.m. 5. BOA Reports – ***Nancy T. Feldman, Executive Director***
Release of Address of Record

11:20 a.m. 6. Peer Review Compliance and CPE Compliance Reports
– ***Dreana Gilliam, BOA Compliance Manager***

Noon – 1:00 p.m. **Working Board Lunch**

1:00 p.m. – 2:00 p.m. 7. Legislative/Regulatory - ***Stephen D. Holton, CPA, Immediate Past Chairman***
Comprehensive Review of Regulations
Continuation of Legislative/Regulatory
Status of NOIRA – Fee Adjustment
Status of Final Regulation – Education Deadline of
December 31, 2008
Petition for Extension of Exam Deadline – Kathryn
Pegram
Petition for Regulatory Amendment for Inactive/Retired

Status – Eric Strickler, CPA

8. Enforcement – *Dian T. Calderone, MTX, CPA,*
Committee Chair

Consent Orders – Carol Wright and Don Benson
Board Order – T. Steven Cawthorn
Discussion:
Procedures for Unintentional Unlicensed
Activity
Guidance Document for Confidential Consent
Agreements (CCA)

2:00 – 3:30 p.m.

9. NASBA –
Nomination for Vice Chairman – Billy Atkinson,
CPA
Eastern Regional Meeting – Asheville, NC
June 11-13, 2008
ED Meeting Report
Legal Counsel Meeting Report
Fingerprinting Issue
Discussion of NASBA- Future of the
Exam Meeting/BOA Feedback May19,2008
Governmental Agency Referral Task Force
Committee Interest Form – Due May 1, 2008

3:30 – 3:45 p.m.

10. Request for Refund of Exam Fees

3:45 – 4:30 p.m.

11. Executive Summary – *Nancy T. Feldman,*
Executive Director
ARMICS Report
System Automation Licensing Project
Report

Sign Conflict of Interests Forms
Complete Travel Expense Vouchers

Adjournment

***Five-minute public comment, per person, on those items not included on the agenda.**

Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the Board Office at (804) 367-8505 or TDD (804) 367-9753 at least ten (10) days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Board fully complies with the Americans with Disabilities Act.

Katherine Pegram, exam candidate petitioned members of the Board to reconsider the December 31, 2008 deadline for candidates to sit under the old regulation. Ms. Pegram’s petition suggests permanent “grandfathering” of those candidates who sat prior to the regulation change. Ms. Pegram indicated that having to return to a college or university was not feasible for older exam candidates. Ms. Pegram petitioned the Board to only apply the 150 semester hour rule to incoming Uniform CPA Exam candidates.

Public Comment
Period

Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants thanked Board members Mr. Samuel and Dr. Broome for their attendance at the recently held CPA Inauguration event.

Marshall A. Handy, CPA was in attendance but did not address the Board during the public comment period.

The members agreed to move this item down on the agenda because Ms. Eggleston was not present.

**2007 APA
Audit/Exit
Interview –
Jennifer
Eggleston,
Project Manager,
Auditor of Public
Accounts**

Upon a motion by Mr. Dickerson, and seconded by Ms. Calderone, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on December 12, 2007. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Holton, and Ms. Brayboy.

**1. Consent
Agenda**

Upon a motion by Mr. Dickerson, and seconded by Ms. Calderone, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on January 8, 2008. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Holton, and Ms. Brayboy.

**2. Consent
Agenda**

The members agreed to move this item down on the agenda because Mr. Mills was not present at 10:00 a.m.

**3. Exam Issues –
Craig Mills,
Executive
Director of the
AICPA
Examinations
Team**

Mr. Samuel led the discussion regarding the Board Retreat scheduled for May 15, 2008. It was decided that the one-day, working Retreat will be best served addressing long-term Board issues. The meeting will be held at the Perimeter Center in order to minimize costs. Ms. Feldman and Ms. Calderone will attend the Special NASBA meeting regarding the Uniform CPA Exam on May 19, 2008. The next full board meeting is scheduled for June 18, 2008.

**4. Future
Meeting Dates –
Lawrence D.
Samuel, CPA,
Chairman**

Ms. Feldman led the discussion regarding the release of the address of record for CPAs licensed in the Commonwealth. A proactive stance to public protection would require individuals to make a FOIA request to obtain the information. However, FOIA makes the information provided by the board’s website “public information.” The information was previously posted on the board website but has since been removed due to technical difficulties. Advertising the address which only names the city and state – the street address is not provided is within FOIA

**5. BOA Reports
– Nancy T.
Feldman,
Executive
Director**

guidelines. Businesses requesting the information are charged \$40.00 for the listing.

Mr. Marshall Handy, CPA, who initially petitioned the Board to review his concerns regarding the release of Address of Record, was in attendance. Mr. Handy addressed the members of the Board advising he did not feel the home addresses should be listed unless the Board is given permission by the licensee. A recent article highlights the potential repercussions of making such information available.

Ms. Norwood advised that the Board can not disclose “personal information”; however, if the address of record is a home address the Board can display it.

Ms. Feldman advised CPAs may provide a P.O. Box in lieu of their home address.

Mr. Samuel recommended that Ms. Norwood and Ms. Feldman review “privacy requirements” under the Commonwealth of Virginia regulations and clarify any issues for presentation at the June 18th meeting.

Ms. Gilliam led the discussion regarding completion of the 100 percent audit of the Board’s registered firms. Audits of 100 percent of the Board’s portfolio were completed April 11, 2008. Upon completion of the review the following recommendations were made:

- Notification of firms identified as non-compliant currently in progress.
- Continued compliance reviews of all licensed firm permit holders.
- Revision of the initial correspondence notifying audit selection
- Work with Emily P. Walker, Technical Services Manager, VSCPA to revise the BOA Peer Review Reporting Form.

Mr. Samuel requested members be provided with a copy of current Peer Review Reporting Form distributed to firm holders.

The members agreed to move this item down on the agenda.

Ms. Eggleston arrived at 9:35am and led the discussion regarding the completion of the Board’s 2007 audit. The APA issued an unqualified opinion with no material weaknesses found. Several new auditing

**6. Peer Review
Compliance and
CPE Compliance
Reports – Dreana
Gilliam, BOA
Compliance
Manager**

**Jennifer
Eggleston,
Project Manager,
Auditor of Public
Accounts – 2007
APA Audit/Exit**

standards will begin in 2008.

Interview

Ms. Ashby provided further detail into the audit. Some of the paperwork was minimal; however, it was understood that the agency is in a transition period and relatively small. Recommendations were made to develop a more detailed Risk Assessment Plan, COOP Plan, and Disaster Recovery Plan. Ms. Ashby expects more detailed documentation for next year's audit in order to maintain the current rating.

Ms. Idrissi is well aware of the agency's needs and will keep in contact with the APA prior to the next audit.

The members agreed to move this item down on the agenda.

Mr. Mills led the discussion regarding the future of the Uniform CPA Exam. He stated that the American Institute of Certified Public Accountants (AICPA) Examinations Team has an exciting year ahead as they plan to meet with Boards of Accountancy in an effort to develop stronger relationships, new content resulting from Practice Analysis, new features to address State Board and candidate concerns. Revision of the exam including technical revisions will take place over the next five years. Looking forward, the AICPA plans to consider administering the test overseas.

Craig Mills, Executive Director, AICPA Examinations Team

The AICPA Board of Examiners (BOE) consists of sixteen members. Thirteen are CPAs, two are Executive Directors, and two are psychometricians. The BOE is supported by the Psychometric Oversight Committee.

The members agreed to discuss the petition for an extension of the exam deadline at this time because Ms. Pegram was present.

Dr. Broome led the discussion indicating the primary charge of the Board is to protect the public. The exam candidates were given ample notice and therefore must meet the deadline. Dr. Broome acknowledged those candidates facing difficulties; however, a deadline must be set.

Upon a motion by Dr. Broome, and seconded by Mr. Holton, the Board by unanimous vote approved the proposed regulation to reaffirm the December 31, 2008 deadline for exam candidates to sit under the old regulation. The members voting "AYE" were Dr. Broome, Mr. Holton, Mr. Samuel, Mr. Dickerson, Ms. Calderone, and Ms. Brayboy.

7. Legislative /Regulatory – Stephen D. Holton, CPA, Immediate Past Chairman

The Board recessed for lunch from 12:00 p.m. - 12:30 p.m.

Recess for Board Lunch

Ms. Feldman led the discussion regarding the NASBA query of the approximately 4,000 Virginia exam candidates that began testing in the 70's and 80's and those who sat for the exam during 2006. All candidates that do not sit and pass all four parts by December 31, 2008 will have to requalify under the new regulation.

Regulatory Review – cont'd.

Ms. Feldman notified the members of the Board that some states have reduced the education requirements from 150 semester hours to 120 semester hours. Mr. Samuel advised this item will be discussed at the upcoming Board Retreat.

Mr. Holton led the discussion regarding the comprehensive review of the regulations.

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

Ms. Feldman led the discussion regarding Mr. Strickler's petition for regulatory amendment for inactive/retired status. Mr. Samuel advised the members this item would be discussed in depth at the upcoming Board Retreat.

Due to their involvement with the following cases, Ms. Calderone and Mr. Dickerson left the room and did not participate in the discussion or vote.

Chairman Samuel informed the other members about their task. In the matter of **File Number 2007-U18 (Carol Wright), File Number 2007-D27 (Don Benson), and File Number 2007-U14 (T. Steven Cawthorn)** Ms. Wright, Mr. Benson, and Mr. Cawthorn were not present nor represented by counsel.

Ms. Grant provided an overview of the cases.

8. Enforcement - Dian T. Calderone CPA, Committee Chairman Consent Orders: File Number 2007-U18 (Carol Wright) File Number 2007-D27 (Don Benson) Board Order:

File Number
2007-U14 T.
Steven
Cawthorn)
[Calderone and
Dickerson]

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, 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, Ms. Harris, and Ms. Gilliam. The members voting “**AYE**” were Dr. Broome, Ms. Brayboy, Mr. Samuel, Mr. Holton. Mr. Dickerson and Ms. Calderone were not present and did not vote.

Begin Closed
Meeting

This motion was made with respect to the matters identified as agenda item: Consent Orders: File Number 2007-U18(Carol Wright/File Number 2007-D27 (Don Benson)

Board Order: File Number 2007-U14 (T. Steven Cawthorn)

Upon a motion by Dr. Broome, and seconded by Mr. Holton 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 Dr. Broome, Mr. Holton, Mr. Samuel and Ms. Brayboy. Mr. Dickerson and Ms. Calderone were not present and did not vote.

End Closed
Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, 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 Ms. Calderone 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/No Vote
Tyrone E. Dickerson, CPA – Not Present/No Vote
William E. Hunt, CPA – Not Present/No Vote

VOTE:

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING: Mr. Hunt

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board by unanimous vote [accepted](#) the recommendations of the presiding officer.

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/No Vote
Tyrone E. Dickerson, CPA – Not Present/No Vote
William E. Hunt, CPA – Not Present/No Vote

VOTE:

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING: Mr. Hunt

Ms. Calderone led the discussions regarding the Procedures for Unintentional Unlicensed Activity, Guidance Document for Confidential

Procedures for Unintentional

Consent Agreements (CCA), and the Cross Jurisdictional Boundary Investigations.

Ms. Calderone recommended that BOA staff handle enforcement steps regarding instances of unintentional unlicensed activity without an IFF or Enforcement Committee review. Ms. Calderone will revise the current procedures; members will review at the upcoming Board Retreat, and vote on the final draft during the June 18th meeting.

**Unlicensed
Activity and
Guidance
Document for
Confidential
Consent
Agreements
(CCA)**

Ms. Calderone led the discussion regarding the implementation of Confidential Consent Agreements Ms. Calderone indicated that due to the pending promulgation of the regulations, discussions regarding this topic would be put on hold until further notice.

Ms. Calderone advised NASBA recommends the base state should lead the discussion regarding the NASBA recommendation for enforcement that the base states handle the investigation. No policy has been implemented at this time. The members agreed to consider any enforcement issues on a case by case basis. For example, if a Virginia CPA commits an infraction in Alaska, VBOA would first contact Alaska to determine what actions they are proposing. The VBOA would then make a determination on its course of action. Board legal counsel advised that VBOA should not expend the funds for an investigation where a member of the Virginia public has not been harmed.

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board by unanimous vote approved the NASBA recommendation that VBOA will address enforcement investigations on a case by case basis. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Mr. Samuel, Mr. Dickerson, Ms. Calderone, and Ms. Brayboy.

The members will discuss how to handle Virginia CPAs coming in from the border states of Maryland, District of Columbia, and North Carolina at the upcoming Board Retreat. No agreement has been made between the states at this time.

Ms. Feldman led the discussion regarding the Executive Directors Meeting. NASBA staff has increased 50% over the past few months and many of the new employees are executive directors and staff from various state boards. NASBA is currently trying to make certain they have funds available to ensure 100% attendance by state boards of accountancy at each NASBA meeting. NASBA staff presented a number of services available to the state boards of accountancy (CPETracking, etc.). NASBA indicated they would be willing to give the states a significant decrease in cost if they partnered together. Ms. Feldman plans to contact the District of Columbia and Maryland Boards for their input. NASBA continued to give excellent reasons for inclusion in the Accountancy Licensing Database. As soon as implementation of the System Automation Licensing Database is complete, VBOA will be onboard.

**ED Meeting
Report**

Ms. Norwood led the discussions regarding the NASBA Legal Counsel and Mobility Task Force meetings. On January 1, 2007, only 4 states authorized mobility (Virginia, Ohio, Wisconsin, and Missouri). As of April 11, 2008, Maryland legislature voted to authorize mobility, raising the number to twenty states currently authorizing mobility. Thirty-two states have legislation either passed or introduced, and another 11 states have Boards of Accountancy that have voted to support mobility. Ms. Norwood has volunteered to be a member of the Implementation Workgroup to make sure that the Board of Accountancies in states with mobility do not create policies that conflict with the authorizing legislation or otherwise inhibit mobility.

Legal Counsel Meeting Report

Dr. Broome led the discussion regarding the future of the exam. The AICPA and NASBA are currently partnering to implement succession planning and a task force to ensure the state boards are provided with the best professional licensing examination possible.

Discussion of NASBA – Future of the Exam Meeting

Ms. Feldman led the discussion regarding the NASBA fingerprinting policy. VBOA received correspondence from a candidate that refuses to provide her fingerprints and is requesting a refund of exam fees. Ms. Grant and Ms. Harris performed extensive research regarding licensing/fingerprinting requirements. Members agreed requests for refunds will be handled on a case by case basis.

10. Request for Refund of Exam Fees – Nancy T. Feldman, Executive Director

Ms. Idrissi led the discussion regarding ARMICS. VBOA has completed two phases for the price of one. VBOA staff made themselves readily available to ZELOS during the review of key controls. Testing was conducted on all key controls in March 2008 and no material weaknesses were identified. VBOA will not have to complete phase 3 (i.e., corrective action plan) because no material weaknesses were identified during phase 2.

11. Executive Summary- Nancy T. Feldman, Executive Director

Ms. Idrissi led the discussion regarding System Automation Licensing Project. Systems Automation has been determined to be the most effective software to support VBOA business functions. The professional services have been purchased, VBOA is partnering with Department of Health Professions (DHP) to host the software and act a project manger, VBOA will no longer require additional servers, and the kick-off meeting took place on May 1, 2008. The anticipated completion date is September 2008.

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

Conflict of Interests Forms/ Travel Expense Vouchers Adjournment

There being no further business before the Board, upon a motion by, Mr. Samuel and seconded by Mr. Holton, the meeting was adjourned by unanimous vote. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

APPROVED:

Dian Calderone, MTX, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director/Agency Head